

Company Code: 603163

Company Abbreviation: Acter Group

Acter Technology Integration Group Co., Ltd. 2025 Annual Report



Important

I. The board of directors and senior management of the Company hereby guarantee the contents contained in the annual report (hereinafter referred to as “this Report”) are true, accurate, intact and free of any false records, misleading statements or major omissions; otherwise, they shall bear the individual and joint legal liabilities arising therefrom.

II. All directors of the Company attended the board meeting.

III. ShineWing Certified Public Accountants LLP (special general partnership) has issued a standard unqualified audit report for the Company.

IV. Liang Jinli, the director of the Company, Zhu Qihua, the person in charge of accounting, and Xiao Jingxia, the director of the accounting firm (accounting director) hereby declare that the financial statements set out in this Report are true, accurate and intact.

V. Proposals for profit distribution or conversion of provident fund to capital stock during the reporting period ratified in the form of board resolution

The Company held the 5th Meeting of the 3rd Board of Directors on March 27, 2026, which reviewed and approved the *Proposal on the Profit Distribution Plan for the Year 2025*. The 2025 profit distribution pre-plan is as follows: Based on the total share capital registered on the equity distribution record date, a cash dividend of RMB 6.5 (tax-inclusive) per 10 shares will be distributed to all shareholders. As of December 31, 2025, the Company’s total share capital was 100,000,000 shares, resulting in a proposed total cash dividend of RMB 65,000,000 (tax-inclusive).

Furthermore, the 2nd Meeting of the 3rd Board of Directors held on August 7, 2025, reviewed and approved the *Proposal on the Profit Distribution Plan for the First Half of Year 2025*. The 2025 semi-annual profit distribution plan was: Based on the total share capital registered on the equity distribution record date, a cash dividend of RMB 1.5 (tax-inclusive) per 10 shares will be distributed to all shareholders. This interim dividend was distributed on September 5, 2025, with a total distribution amount of RMB 15,000,000 (tax-inclusive).

In summary, the Company’s estimated total cash dividend distribution for 2025 is RMB 80,000,000 (tax-inclusive), accounting for 51.76% of the Company’s net profit attributable to shareholders of the listed company for 2025.

As of the end of the reporting period, relevant information regarding the existence of undistributed losses in the parent company and their impact on matters such as the Company’s profit distribution.

Applicable N/A

VI. Risk Disclosure of Forward-Looking Statements

Applicable N/A

The forward-looking statements in this Report, including future plans, development strategies, etc. do not constitute the Company's substantial commitments to investors, who are kindly reminded of the investment risks.

VII. Whether there is non-operational appropriation of funds by controlled shareholders and other related parties

No

VIII. Whether there is any violation of the required decision-making procedures for the provision of external guarantees

No

IX. Whether more than half of the total directors are unable to guarantee the truthfulness, accuracy and intactness of the annual report disclosed by the Company

No

X. Significant Risk Warning

The Company has elaborated the possible relevant risks in this Report. For details, please refer to the possible risks mentioned in "(IV) Possible Risks in VI. Discussion and Analysis of the Company's Future Development of Section III: Management Discussion and Analysis".

XI. Others

Applicable N/A

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Catalog of Reference Documents	The full text and abstract of this Report signed by the present legal representative and sealed by the Company
	The financial statements signed and stamped by the director of the Company, the person in charge of accounting, and the director of the accounting firm (accounting director)
	The original audit report sealed by the accounting firm, and signed and sealed by the certified public accountants;
	The originals of all the Company's documents and the original manuscript of the announcements publicly disclosed in the newspapers designated by the CSRC during the reporting period

Section I Definitions

I. Definitions

In this Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Definitions of the common terms		
The Company, we, Acter Group	refer to	Acter Technology Integration Group Co., Ltd.
Sheng Huei Limited	refer to	Sheng Huei (Suzhou) Engineering Co., Ltd., the predecessor of the Company
Sheng Huei International	refer to	Sheng Huei International Co., Ltd., a direct controlling shareholder of the Company
Acter (Taiwan)	refer to	Acter Co., Ltd., an indirect controlling shareholder of the Company
Suzhou Songhuei	refer to	Suzhou Songhuei Business Management Consulting Partnership (limited partnership), an employee shareholding platform of the Company
Suzhou Shengzhan	refer to	Suzhou Shengzhan Business Management Consulting Partnership (limited partnership), a platform for shareholding by the Company's employees
Acter (Shenzhen)	refer to	Shenghuei Engineering Technology (Shenzhen) Co., Ltd.
Shenzhen Dingmao	refer to	Shenzhen Dingmao Trading Co., Ltd.
Acter (Vietnam)	refer to	Sheng Huei Engineering Technology Company Limited
Acter (Hong Kong)	refer to	Acter International Limited
Acter (Singapore)	refer to	Acter Technology Singapore Pte. Ltd.
Acter (Indonesia)	refer to	Pt. Acter Technology Indonesia
Acter (Malaysia)	refer to	Acter Technology Malaysia Sdn. Bhd.
Acter (Thailand)	refer to	Acter Technology Company Limited
Space (Thailand)	refer to	Space Engineering Company Limited
New Point (Seychelles)	refer to	New Point Group Limited
Indonesia Joint Venture	refer to	PT ACTER INTEGRATION TECHNOLOGY INDONESIA
HER SUO (Taiwan)	refer to	HER SUO ENG., CO., LTD.
Enrich (Taiwan)	refer to	Enrich Tech Co., Ltd.
NOVA (Taiwan)	refer to	NOVA Technology Corp.
Winmega (Taiwan)	refer to	Winmega Technology Corp.
WASTE	refer to	WASTE Recovery Technology Inc.
Winmax (Shanghai)	refer to	Winmax Technology Corp.
Winmax Technology/Winmax (Suzhou)	refer to	Suzhou Winmax Technology Corp., which was previously known as Suzhou Winmax Technology Co., Ltd. and Suzhou Guanbo Controlling Technology Co., Ltd.
Winmax (Singapore)/Novatech (Singapore)	refer to	Novatech Engineering & Construction Pte. Ltd.
Rayzher Industrial	refer to	Rayzher Industrial Co., Ltd.
Winmax (Malaysia)	refer to	Winmax Technology Malaysia Sdn.Bhd.
Reporting period	refer to	The period from January 1, 2025 to December 31, 2025
<i>Articles of Association</i>	refer to	<i>The Articles of Association of Acter Technology Integration Group Co., Ltd.</i>
Shareholders' meeting	refer to	Shareholders' meeting of Acter Technology Integration Group Co., Ltd.
Board of directors	refer to	The board of directors of Acter Technology Integration Group Co., Ltd.
CSRC	refer to	China Securities Regulatory Commission
<i>Company Law</i>	refer to	<i>The Company Law of the People's Republic of China</i>

<i>Securities Law</i>	refer to	The <i>Securities Law of the People's Republic of China</i>
RMB Yuan, RMB 10,000, RMB 100 Million	refer to	Renminbi/Chinese Yuan, RMB 10,000, RMB 100 million
Clean room	refer to	An enclosed space for high-end manufacturing industry, also known as a clean plant and dust-free room, to control airborne particles, harmful gases, microorganisms, temperature, relative humidity, spatial airflow distribution, airflow speed in all directions, as well as vibration, static electricity, electromagnetic interference, and noise, etc., in order to satisfy the production process of products
Cleanliness	refer to	The concentration of dust in the air within an air environment. Typically, it refers to the quantity of particles equal to or exceeding a specified particle size within a designated volume of air. High dust load means low cleanliness and vice versa
System integration	refer to	The business of combining software, hardware, and communication technology to satisfy users' needs for information processing. The separated parts of the integration are originally independent systems, and the parts of the integrated whole can work organically and with each other to bring out the overall effect and achieve the purpose of overall optimization
Hook-up	refer to	The connection from the main system piping to the process equipment. The scope includes electricity, water supply and drainage pipes, process piping, exhaust systems, etc.
IC semiconductor	refer to	A semiconductor manufacturing process in which a number of parts and components such as transistors, resistors, capacitors, etc. are fabricated on a small monocrystalline silicon wafer and assembled into a complete electronic circuit using multi-layer wiring or tunnel wiring
Package	refer to	The shell in which a semiconductor integrated circuit chip is mounted, which not only plays the role of placing, fixing, sealing, protecting the chip and enhancing the electrical and thermal properties, but also serves as a bridge between the internal and external circuits of chips
EPCO	refer to	The general contracting of the integrated whole process, including the design, procurement, construction, operation, etc., of engineering construction projects entrusted by the owner in accordance with the contract agreement
BIM	refer to	The Building Information Modeling in short, which is a new tool for architecture, engineering, and civil engineering, and is a computer-aided design tool based on three-dimensional graphics, object orientation, and architecture
PCB	refer to	The Printed Circuit Board in short, which is an important electronic component, the support body of electronic components, and the carrier for the electrical interconnection of electronic components
SMT	refer to	The Surface Mounted Technology in short, which is a new generation of electronic assembly technology duly developed from the hybrid integrated circuit technology; applied with is the surface mounting technology of parts

		and components and backflow welding technology, it has become a new generation of assembly technology in electronic product manufacturing
AMC	refer to	Airborne molecular contaminants
CFD	refer to	Computational Fluid Dynamics in short, namely Computational Fluid Dynamics. CFD is a product of the combination of modern fluid mechanics, numerical mathematics, and computer science. It approximates the integral and differential terms in the governing equations of fluid mechanics into discrete algebraic forms, converting them into algebraic equation sets. These discrete algebraic equation sets are then solved by computers to obtain numerical solutions at discrete time/space points.

Section II Company Profile and Key Financial Indicators

I. Company Information

Full Legal Name in Chinese	圣晖系统集成集团股份有限公司
Short Legal Name in Chinese	圣晖集成
Full Legal Name in English	ACTER TECHNOLOGY INTEGRATION GROUP CO., LTD.
Short Legal Name in English	ACTER GROUP
Legal Representative	Liang Jinli

II. Contacts

	Board Secretary	Securities Representative
Name	Chen Zhihao	Gao Jiejie
Address	No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China	No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China
Tel.	0512-85186368	0512-85186368
Fax	0512-87773169	0512-87773169
E-mail	acter.china@acter.com.cn	603163@acter.com.cn

III. Basic Information

Registered Address	No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China
Historical Changes in Registered Address	N/A
Office Address	No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China
Zip Code of the Office Address	215151
The Company's Official Website	www.acter.com.cn
E-mail	acter.china@acter.com.cn

IV. Information Disclosure and Retention Site

Name and website of the media for the Company's disclosure of annual report	STCN (http://www.stcn.com/)
Website of the stock exchange for publishing the Company's annual report	www.sse.com.cn
Retention site of the Company's annual report	The Company's board office at No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China

V. Corporate Stock

Corporate Stock				
Stock Type	Stock Exchange	Stock Abbreviation	Stock Code	Stock Abbreviation Before Change
A-share	Shanghai Stock Exchange	Acter Group	603163	N/A

VI. Other Relevant Information

Accounting firm hired by the Company (domestic)	Firm Name	ShineWing Certified Public Accountants LLP (special general partnership)
	Office Address	8/F, Block A, Fuhua Mansion, No. 8, Chaoyangmen North Street, Dongcheng District, Beijing, China
	Name of the Signatory Accountants	Liu Yuehua, Wang Ping
Sponsor institution for performing supervisory responsibilities continuously during the reporting period	Firm Name	Soochow Securities Co., Ltd.
	Office Address	No. 5, Xingyang Street, Suzhou Industrial Park
	Name of Signatory Sponsor Representative	Xia Jianyang, Zhang Boxiong
	Period of Continuous Supervision	October 13, 2022 to December 31, 2024 As of December 31, 2025, the project invested by raising funds from the Company's initial public offering of shares has not been completed, the sponsor institution still needs to perform the supervisory responsibilities for the storage and use of the raised funds.

VII. Key Accounting Data and Financial Indicators for the Previous Three Years**(I) Key Accounting Data**

In RMB Yuan

Key Accounting Data	2025	2024	YoY Change (%)	2023
Operating revenue	2,988,504,733.21	2,007,697,317.98	48.85	2,008,924,995.68
Total profit	209,292,502.54	153,760,188.68	36.12	180,777,300.89
Net profit attributable to shareholders of listed companies	154,546,143.11	114,402,314.36	35.09	138,590,474.42
Net profit attributable to shareholders of the listed company after extraordinary gains and losses	154,388,632.77	114,319,346.13	35.05	136,061,341.30
Net cash flows from operating activities	144,165,160.53	-3,708,149.80	N/A	133,522,931.23
	End of 2025	End of 2024	YoY change (%)	End of 2023
Net assets attributable to shareholders of listed companies	1,168,451,808.31	1,110,435,199.21	5.22	1,082,257,514.27
Total assets	2,359,951,318.22	1,952,510,883.69	20.87	1,904,362,490.44

(II) Key Financial Indicators

Key Financial Indicators	2025	2024	YoY Change (%)	2023
Basic earnings per share (RMB Yuan/share)	1.55	1.14	35.96	1.39
Diluted earnings per share (RMB Yuan/share)	1.55	1.14	35.96	1.39
Basic earnings per share after	1.54	1.14	35.09	1.36

extraordinary gains and losses (RMB Yuan/share)				
Weighted average return on net assets (%)	13.66	10.56	3.10	13.67
Weighted average return on net assets after extraordinary gains and losses (%)	13.65	10.55	3.10	13.42

Explanation for key accounting data and financial indicators of the Company for the previous three years as of the end of the reporting period

Applicable N/A

VIII. Differences in Accounting Data under Domestic and Overseas Accounting Standards

(I) Difference in net profit and net assets attributable to shareholders of the listed company between the financial reports disclosed in accordance with international accounting standards and those disclosed in accordance with China accounting standards

Applicable N/A

(II) Difference in net profit and net assets attributable to shareholders of the listed company between the financial reports disclosed in accordance with overseas accounting standards and those disclosed in accordance with China accounting standards

Applicable N/A

(III) Explanation for the Differences between Domestic and Overseas Accounting Standards:

Applicable N/A

IX. Key Financial Data of 2025 by Quarter

	In RMB Yuan			
	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating revenue	574,535,583.39	720,497,551.54	821,446,425.58	872,025,172.70
Net profit attributable to shareholders of listed companies	28,951,322.33	33,512,994.37	33,182,584.32	58,899,242.09
Net profit after extraordinary gains and losses attributable to shareholders of listed companies	28,465,867.03	34,209,965.43	32,857,945.83	58,854,854.48
Net cash flows from operating activities	-70,977,694.97	177,026,939.38	14,752,631.24	23,363,284.88

Explanation for differences between quarterly data and data in disclosed periodic reports

Applicable N/A

X. Non-recurring Profit and Loss and Amount

☑ Applicable ☐ N/A

In RMB Yuan

Non-recurring Profit and Loss Item	Amount for 2025	Note (If Applicable)	Amount for 2024	Amount for 2023
Profits or losses on disposal of non-current assets, including elimination of provision for asset impairment	442,259.80		-8,175.93	52,564.23
Government grants recognized in current profit or loss, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	227,523.20		433,289.18	3,731,552.00
Profits or losses from changes in fair value of financial assets and liabilities held by non-financial enterprises and profits or losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal business operations				
Occupancy fees charged to non-financial enterprises recognized in profit or loss for the period				
Profits or losses on entrusted investment or asset management				
Profits or losses on entrusted external loans				
Losses on assets due to force majeure, such as natural disasters				
Reversal of provision for impairment of receivables individually tested for impairment				
Gain arising from the difference between the cost of investment in subsidiaries, associates, and joint ventures and the fair value of net identifiable assets of the investee at the time of investment acquisition				
Subsidiaries arising from a business combination under the same control Net gain or loss for the period from the beginning of the period to the date of the combination				
Gain or loss on exchange of non-monetary assets				
Profits or losses on debt restructuring				
One-time costs incurred by the enterprise due to discontinuation of relevant business activities, such as employee relocation expenses,				
One-time impact on profit or loss due to				

adjustments in tax, accounting, and other laws and regulations.				
One-time share-based payment expenses recognized due to cancellation or modification of the share incentive plan				
Gains or losses arising from changes in the fair value of employee remuneration payable after the feasible date for cash-settled share-based payments				
Gains or losses from changes in fair value of investment properties subsequently measured using the fair value model				
Profits or losses from transactions with an apparent unfair price				
Gains or losses arising from contingencies unrelated to the Company's normal business operations				
Custodian fee income from entrusted operations				
Non-operating revenue and expenses other than those mentioned above	-505,344.98		-317,988.82	-811,609.16
Other profits or losses that meet the definition of non-recurring profits or losses				
Less: Income tax effect	4,785.03		24,156.20	445,099.41
Effect of minority interests (after tax)	2,142.65			-1,725.46
Total	157,510.34		82,968.23	2,529,133.12

The Company shall state why, if it recognizes the items not listed in the *Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-Recurring Profit and Loss* as non-recurring profit and loss items and that the amount of such items is large, or if it defines the non-recurring profit and loss items listed in the *Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-Recurring Profit and Loss* as recurring profit and loss.

Applicable N/A

XI. Companies with Equity Incentive Plans or Employee Stock Ownership Plans May Choose to Disclose Net Profit after Deducting the Effect of Share-based Payments

Applicable N/A

XII. Items Measured at Fair Value

Applicable N/A

Item	Opening balance	Closing balance	Current period changes	In RMB Yuan
				Amount of impact on current profit
Structured deposits	50,025,000.00		-50,025,000.00	-25,000.00
Strategic investments in Wafer Works	12,947,918.04	14,523,380.46	1,575,462.42	
Receivables financing	2,499,031.97	3,581,195.46	1,082,163.49	
Total	65,471,950.01	18,104,575.92	-47,367,374.09	-25,000.00

XIII. Others

Applicable N/A

Section III Management Discussion and Analysis

I. The Company's Business during the Reporting Period

(I) The Company's Main Business, Products, and Applications

The Company specializes in cleanroom system integration engineering services, covering the entire EPCO industry chain of “engineering construction design + procurement + construction + maintenance.” Its downstream sectors include IC semiconductors, precision manufacturing, PCB, optoelectronic panels, biotech medical, and other fields. Since 2007, the Company has gradually established subsidiaries in Vietnam, Malaysia, Indonesia, Thailand, and other countries to explore the Southeast Asian market. It is one of the few domestic general contractors with cross-sectoral and cross-border cleanroom engineering service capabilities.

Cleanrooms, as key supporting facilities for semiconductor chip manufacturing and precision device processing, can precisely control core indicators such as cleanliness and temperature/humidity of the production environment, providing a stable production environment for high-end manufacturing processes. They are an essential infrastructure foundation for the implementation and upgrading of capacity in downstream high-tech industries.

The technological R&D and industrial application of cleanroom system integration engineering differ from traditional industrial models. Their core lies in enhancing overall operational efficiency and application value through the optimization of construction methods, material adaptation, and the organic integration of equipment systems. This field requires customized system integration based on the industry characteristics and specific needs of the project owner. By integrating multiple professional technical systems such as architecture, electromechanics, air conditioning, fire protection, instrumentation control, pipeline installation, and project management, the Company constructs and delivers an overall operational system and environmental solution highly tailored to the client's production processes.



(II) The Company's Business Model

The Company, as the one-stop professional service provider of clean room system integration engineering solutions for advanced manufacturing industries, is capable of implementing a complete industry chain of system integration, ranging from engineering design to procurement, construction, operation, and maintenance. While implementing projects, the Company purchased the required equipment and materials centrally based on the specific project conditions, and subcontracted the clean room system project construction. The Company was also responsible for organizing and coordinating the contracting units of each system, supervising and guiding them, and coordinating the overall progress of the project. The Company earned profits by providing clients with clean room project total solutions.

1. Sales Mode

The Company mainly provides clean room engineering services for large-scale enterprises in the semiconductor, electronics, and other industries. The Company's marketing staff obtains client resources by serving existing clients continuously, and cooperating with new clients recommended by the existing ones, exploring new clients through searching market information, etc., and makes contact with them on business. The Company mainly approaches clients through invitation for bidding and commercial negotiation, and clients' bidding. The bidding mode of the Company is generally as follows: Obtaining

bidding information, purchasing proposals, passing tenderer's qualification examinations, paying bidding deposit, preparing bidding documents, bidding for projects on sites, opening bids on site, obtaining the notification of successful bid and signing the contract, etc.

2. Procurement Mode

The Company procures construction materials in accordance with the contract signed with the owner or contractor, mainly including construction materials and equipment. The Company prepares the procurement plan based on the project cost budget and the requirements of the project execution schedule; prepares and executes the corresponding procurement plan based on the specific project. The person in charge of the project prepares the procurement plan according to the project progress, project material input plan, processing schedule of customized materials, etc., and the procurement period of each type of materials is clearly defined.

3. Engineering Contracting Mode

In accordance with the *Construction Law of the People's Republic of China*, *Civil Code of the People's Republic of China*, *Labor Law of the People's Republic of China*, *Provisions on the Administration of the Qualifications of Construction Enterprises*, and other relevant laws and regulations, as well as the project construction contract signed with the owner, the Company subcontracts the clean room construction projects according to the specific clean room projects during the implementation stage. In case of any restrictive clauses or explicit provisions in the general contract, the Company shall obtain the consent of the owner before selecting the contracting manufacturer. The Company centrally coordinates, organizes, supervises, guides, and uniformly manages the subcontractors of each system during the construction process.

The Company's Procurement Department is responsible for maintaining the list of suppliers and evaluating subcontractors based on their qualifications, financial strength, engineering achievements, etc. In case of any subcontracting needs, the person in charge of the project will initiate a requisition for subcontracting, and the Procurement Department will sign a contract with the subcontractor, which is selected after comparing all subcontractors' experience, technology, price, etc. with the approval of the corresponding supervisor. Subsequently, the Company organizes engineers and technicians to give technical briefings to the subcontractors, and conducts training, supervision, and management of the subcontractors in accordance with the terms of the contract, design documents, and construction specifications to ensure the normal progress of the construction.

(III) Performance Drivers and Industry Adaptability

As a core supporting industry for the high-end manufacturing sector, the overall demand for the cleanroom engineering industry continues to grow steadily. The core driving logic is clear and strong: the global semiconductor industry is experiencing a sustained recovery and rebound, domestic semiconductor capacity is undergoing iterative upgrades, the localization substitution process is accelerating comprehensively, and the rapid development of the AI computing power industry is driving large-scale expansion of high-end manufacturing capacity. The convergence of these multiple positive factors is driving a steady increase in market demand for cleanroom engineering, providing high-quality industry conditions for the Company's performance growth.

Acter Group's operating income achieved growth in 2025, which is aligned with the development trend and demand direction of the high-tech cleanroom engineering industry, confirming the consistency between the Company's business strategy and industry development. The Company deeply cultivates the core semiconductor track, accurately positions itself in the high-boom segment of the industry, and accelerates the advancement of overseas market layout. Its business layout is fully in line with the development mainline and demand expansion direction of the cleanroom engineering industry, with performance growth rate matching the industry prosperity and no abnormal fluctuations deviating from the industry development trend. In summary, the Company's performance growth in 2025 relies on the general background of overall industry recovery and demand expansion, combining industry commonalities with its own operational advantages, and the growth is supported by a solid industry foundation and sustainability.

Explanation of significant new non-core business activities conducted by the Company during the reporting period.

Applicable N/A

II. Situation of the Company's Industry during the Reporting Period

(I) Basic Overview and Development Stage of the Industry

The Company is a professional service provider offering total solutions for cleanroom system integration engineering to the advanced manufacturing industry. According to the classification standard of the *Industrial Classification for National Economic Activities* (GB-T4754-2017) and the *Guidelines for the Industry Classification of Listed Companies* (Revised in 2012) issued by the CSRC, the Company’s cleanroom engineering service business falls under “E Construction” and specifically the sub-category “E49 Construction Installation Industry.” From the perspective of the industry chain, the cleanroom industry can be divided into upstream supply, midstream construction, and downstream application.

Upstream industry involves the suppliers of raw materials and equipment such as building materials, system equipment, and electromechanical equipment, and exerts direct influence on the progress and completion of projects. Their prices affect the industry’s costs directly and the profits of industry enterprises significantly.

The Company’s industry belongs to midstream, which mainly includes engineering service companies specialized in engineering survey, engineering design, and engineering construction. The integration engineering service industry of clean room system refers to the engineering services for clients, such as the turnkey contracting services for clean rooms, which are provided between project owners and subcontractors of engineering materials, equipment, and projects based on owner’s needs and by virtue of engineering technologies in different fields.

The cleanroom engineering industry is a core supporting industry serving high-end manufacturing. Its downstream covers strategic emerging industries such as IC semiconductors, optoelectronic displays, precision manufacturing, and biopharmaceuticals. Industry development is deeply intertwined with downstream industry capacity expansion, technological iteration, and the localization substitution process.



In 2025, the cleanroom engineering industry entered a mature development stage characterized by parallel large-scale expansion and high-quality upgrading. It has moved away from extensive growth towards a refined development path of higher technical barriers, specialized services, and global expansion. Overall industry demand remains high, particularly for high-end cleanroom engineering in the semiconductor sector, which continues to be robust and serves as the core engine of industry growth.

(III) Cyclical Characteristics of the Clean Room Industry

The cleanroom engineering industry exhibits no significant independent cyclical characteristics. Its development trend is highly tied to the capital expenditure cycles of downstream high-end manufacturing industries, national industrial policy orientation, and the macroeconomic environment. It is also closely linked to the technological iteration and capacity expansion of downstream industries such as semiconductors, new displays, and new energy.

When downstream industries are in a cycle of capacity expansion and technological upgrading, demand for cleanroom engineering rises correspondingly. Industry cycles are hedged by factors such as policy support, localization substitution, and the transfer of global industrial chains, leading to a flattening of cyclical fluctuations and sufficient long-term growth resilience. In 2025, driven by technological upgrades like 5G and AI chips, the global semiconductor industry saw strong downstream capital

expenditure willingness and upward industry demand, providing a favorable external environment for the Company's business expansion.

(IV) The Company's Status in the Industry

The Company focuses on providing clean room system total solutions for high-tech industries. It is also one of China's few engineering service companies that are specialized in different industrial fields and have accumulated experience of project construction in different countries and regions at the same time.

The Company has the capability and experience for cleanroom construction across the entire semiconductor industry chain. It boasts a strong brand influence, mature project implementation experience, and a comprehensive service system in the high-end cleanroom segment of IC semiconductors, and has established long-term, stable strategic cooperative relationships with high-quality downstream leading clients, with significant competitive advantages in cleanroom fields such as packaging, precision manufacturing, and PCB, accumulating deep client resources among leading companies in various sectors.

Leveraging the recovery of the global semiconductor industry, accelerated localization substitution, and industry dividends from capacity expansion, the Company's market share is steadily increasing, and its industry recognition is continuously improving.

(V) Major Laws and Regulations Applicable to the Industry and the Impact of Industrial Policies

The current laws and regulations on the clean room system integration engineering services provided by the Company mainly cover industry qualification management, business standards, and quality management. China has implemented strict qualification management for the clean room industry and established a strict market access mechanism. The level of qualification is directly related to enterprises' capacity of undertaking businesses.

The *2025 Report on the Work of the Government for the Year* stated the need to stimulate digital economy innovation vitality, continue promoting the "AI+" action, better combine digital technology with manufacturing advantages and market advantages, support the widespread application of large models, and vigorously develop next-generation intelligent terminals such as intelligent connected new energy vehicles, AI-enabled mobile phones and computers, intelligent robots, as well as intelligent manufacturing equipment. For strategic emerging industries like semiconductors and integrated circuits, the State continues to introduce supporting policies for production expansion support, R&D subsidies, and industrial chain self-reliance, increasing policy and financial support for high-end manufacturing, directly driving the continuous release of downstream cleanroom engineering demand.

In 2025, multiple laws, regulations, departmental rules, and standards were issued at the national and industry levels, continuously optimizing the industry development environment and improving the standard system, which is beneficial for the standardized and high-quality development of the cleanroom engineering industry in the long term. The Ministry of Housing and Urban-Rural Development issued the *Standard for Construction and Acceptance of Pharmaceutical Industry Cleanroom (GB/T51466-2025)*, further standardizing the construction and acceptance processes for cleanroom. Multiple national and international standards in the cleanroom and related controlled environment fields were implemented, refining technical requirements for cleanliness monitoring, micro-vibration control, airborne chemical contaminant control, etc., promoting alignment of domestic industry technical standards with international norms. The refinement of the standard system forces companies in the industry to enhance their technological R&D, engineering construction, and quality control capabilities, accelerating survival of the fittest in the industry. This benefits high-quality companies with sufficient technical reserves and standardized project management, driving the entire industry towards higher-end and standardized development.

With the continuous advancement of clean production, energy saving, and emission reduction policies, green, low-carbon, and energy-efficient operations have become core development directions for the cleanroom engineering industry. Policies encourage companies to research and apply energy-saving equipment and low-carbon construction processes, thereby promoting the industry's green transformation. The Company closely follows policy orientation, continuously optimizes engineering technical solutions, and layouts energy-saving and low-carbon cleanroom engineering projects. This not only aligns with industry development trends but also further enhances product added value and market competitiveness.

The Company and its subsidiaries have paid close attention to all key and latest policies and laws at home and abroad continuously, adjusted the Company's business strategy based on the latest market trends, in order to effectively grasp the impact on the Company's financial business.

III. Discussion and Analysis of Operating Conditions

In 2025, with the deep application of next-generation information technologies such as cloud computing, IoT, big data, 5G/6G, artificial intelligence, and industrial digitalization, driven by the rapid development of downstream industries like data centers and autonomous driving, coupled with the deepening localization process of the domestic semiconductor industry and the steady improvement of self-sufficiency capabilities, overall industry capital expenditure and capacity construction maintained a growth trend. Simultaneously, new technologies and processes within the industry continued to iterate and upgrade, further driving semiconductor production line renovations and technological innovations. Against this backdrop, the cleanroom engineering industry, as a key infrastructure provider for semiconductor manufacturing, has encountered a favorable development opportunity period, driven by both downstream market demand expansion and technological upgrades.

The engineering industry market is full of changes. Only by complying with the latest market trends and expanding the development potential of engineering undertakings can the industry survive and even grow quickly under the market mechanism of selecting the superior and eliminating the inferior. In consideration of the fiercer competition in China's engineering sector, economic scale, operational efficiency, and integrated services play a decisive role in the success of this sector. A sound engineering system and solid professional technology are the only ways to expand engineering business development space and create an ecosystem. In the current competitive landscape of the engineering industry, the ability to quickly control raw material sources and provide clients with fast and advanced engineering services is a key factor in achieving a leading position in the industry. The Company's management adheres to a sound business philosophy, anchors its core business for continuous deep cultivation, leverages the diversified layout advantage of "multiple clients, multiple industries, multiple regions, multiple trades," maintains strategic focus in a complex and changing market environment, successfully achieved its 2025 operating targets, and set new historical records for both revenue and net profit.

Leveraging its overseas operation experience and resource accumulation, the Company has accurately entered core regions of the global electronic industrial chain transfer, such as Southeast Asia, and successively won bids for and implemented overseas cleanroom engineering projects in Thailand, Vietnam, and other countries. Its localized service capabilities and project management and control have been continuously improved, establishing an operational pattern of "two-way order receiving and two-way development" featuring "domestic semiconductor capacity upgrading + overseas industrial chain transfer", with the business structure continuously optimized.

IV. Analysis of the Company's Core Competitiveness during the Reporting Period

Applicable N/A

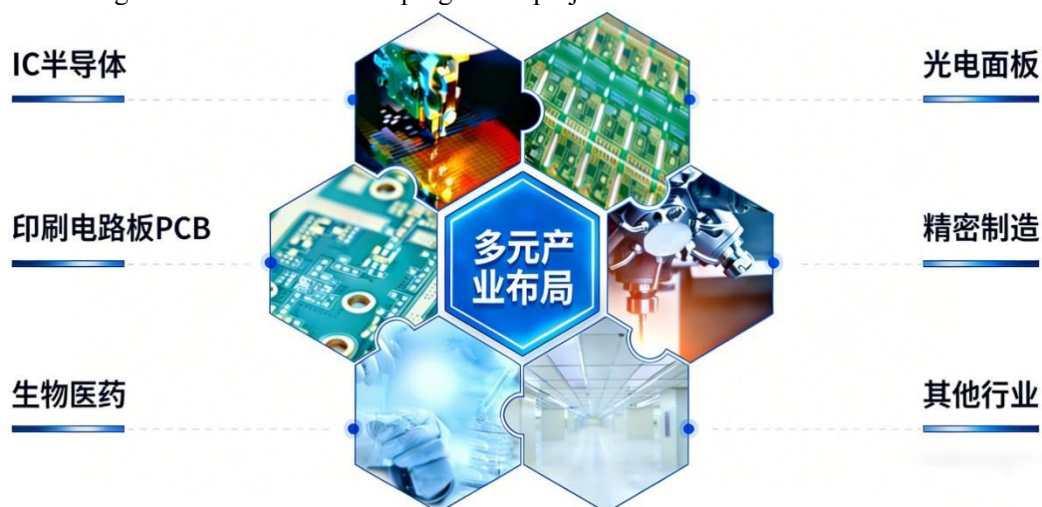
(I) Diverse Industry Accumulation, Better System Integration, Faster Problem Solving

Diversified industrial layout is Acter Group's core strength and a key advantage that distinguishes it from ordinary cleanroom engineering enterprises. Instead of being confined to a single niche market, the Company has deeply laid out multiple high-tech industries, including semiconductors, optoelectronic panels, precision manufacturing, and biotech/medical care. Through years of project practice and technical refinement, it has accumulated cleanroom engineering achievements covering multiple industries, scenarios, and high standards, precipitated rich industry experience and customized service capabilities, and truly realized "one enterprise adapting to multiple industries, one solution addressing multiple needs". This cross-industry diversified accumulation enables Acter Group to deeply understand the pain points, specification and standards, and process details of cleanroom construction in different industries. It can not only accurately match the personalized needs of a single industry but also avoid engineering shortcomings by virtue of cross-field experience, providing professional cleanroom solutions tailored to the production characteristics of various clients.

A cleanroom project is by no means a superposition of individual construction links, but a full-chain systematic project covering planning and design, equipment selection, construction, commissioning and operation, and warranty maintenance. Only through efficient system integration can project quality be guaranteed, costs controlled, and construction periods shortened. Relying on profound industrial accumulation, Acter Group has built a full-process integration system of "consultation + design + construction + management + operation and maintenance", coordinating various resources such as human resources, technology, equipment, and supply chains to achieve seamless connection from program design to implementation and operation. It creates high-quality, efficient, and cost-effective cleanroom projects, helping clients quickly realize production capacity commissioning.

High-tech industry projects feature tight schedules and high standards. In the construction and operation of cleanroom projects, delayed handling of any detailed issues will affect project progress and production safety. Relying on diversified industrial experience and a sound management and control

system, Acter Group has established a problem-solving mechanism of “rapid prediction, efficient response, and precise disposal”. For unexpected problems and potential hazards in all links of cleanroom engineering design, construction, and operation and maintenance, it can achieve early detection, quick handling, and comprehensive guarantee for the smooth progress of projects.

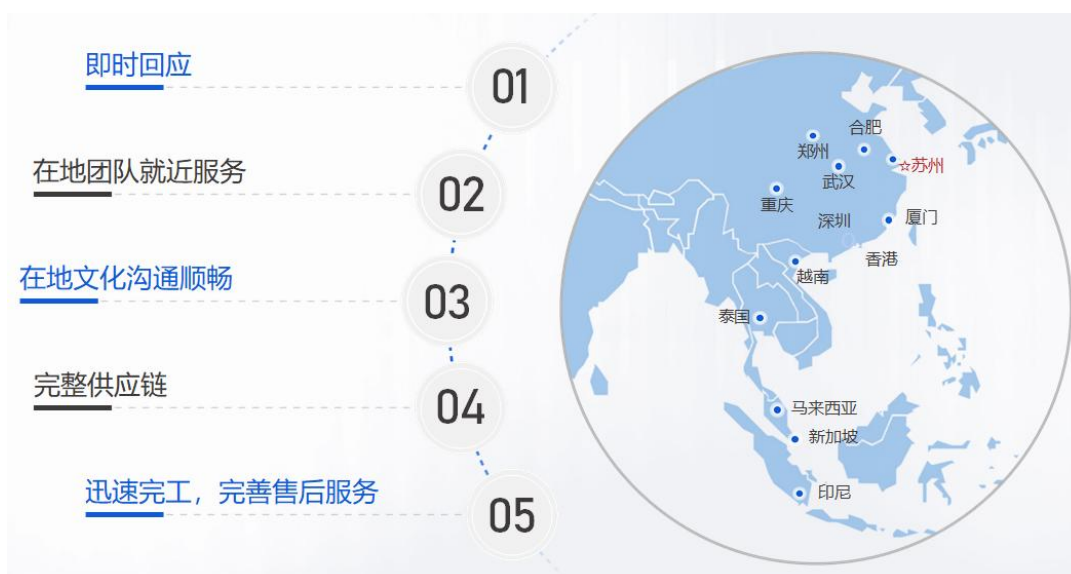


(II) Wide-Ranging Service Layout, Faster Response to Clients, and More Convenient On-Site Services

Against the backdrop of the global layout of the high-end manufacturing industry and the accelerated pace of project implementation, the service radius and response efficiency of cleanroom engineering directly determine the commissioning progress of clients' projects and the quality of subsequent operation and maintenance support. Based on industry development trends and core client needs, Acter Group has built a wide-ranging service network featuring “full domestic coverage, in-depth overseas layout, and precise localized implementation”, becoming a reliable partner for clients' cross-regional layout and global production.

In terms of domestic layout, Acter Group has deeply cultivated core domestic industrial clusters and built multi-level service stations around high-tech industry-intensive regions such as the Yangtze River Delta and the Pearl River Delta. Whether it is a semiconductor industrial park, an optoelectronic manufacturing base, a biopharmaceutical factory, or a precision manufacturing plant, it can quickly connect with local professional service teams without cross-regional resource coordination. From pre-project site survey, mid-term construction supervision to later operation and maintenance inspections, the entire process achieves on-site connection and efficient linkage, greatly reducing communication costs, travel time, and the risk of delayed response, and ensuring the efficient progress and stable operation of various domestic cleanroom projects.

In terms of overseas layout, adhering to a forward-looking strategic vision, the Company has long been deeply engaged in core Southeast Asian markets, successively establishing localized subsidiaries in Vietnam, Thailand, Malaysia, Indonesia and other countries, and building a sound overseas service system to achieve cross-regional coordinated allocation of technology, human resources, and materials. Relying on localized teams to deeply understand local policies and regulations, industrial standards, and construction environments, it provides localized and customized cleanroom engineering services for overseas clients' needs such as factory construction and commissioning, production line upgrading, and cleanroom maintenance. This not only ensures the compliant implementation of projects but also realizes on-site disposal of unexpected problems and rapid response to urgent needs, helping overseas clients seize industrial opportunities and quickly release production capacity. This is also the core reason for the continuous growth of Acter Group's overseas orders and the continuous improvement of its market influence.

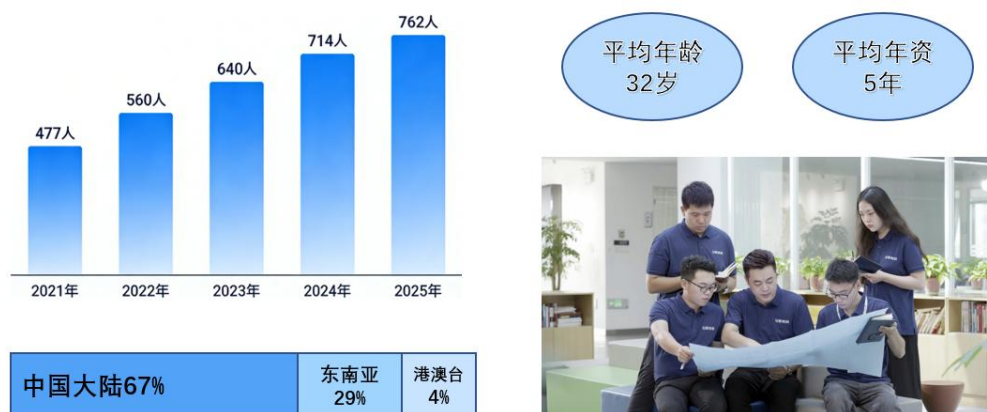


(III) Experienced Management Team, Professional Technical Talents, and Higher Execution Efficiency

The Company's core management team has been deeply engaged in the cleanroom engineering field for more than 20 years, with an average tenure of over 15 years. They have deeply participated in the entire process of projects for leading clients in high-end industries such as semiconductors, precision manufacturing, and optoelectronic displays, boasting forward-looking layout and cross-industry integration capabilities. Characterized by stable decision-making, lean management, and a global perspective, the team accurately grasps industry technological iteration and market trends, and coordinates the efficient implementation of domestic and overseas projects. 70% of the middle management team is promoted from the grassroots, with a low turnover rate, ensuring service continuity and experience inheritance, and achieving precise control of project quality, progress, and costs through a mature management system.

The Company has an engineering and technical team of over 600 people, including 365 employees with vocational skill certificates, 59 registered Level A and B constructors specialized in architecture, electromechanical engineering, etc, and 95 employees with intermediate and senior titles, establishing a full-chain talent echelon covering design, construction, R&D, and operation and maintenance. The team is proficient in core technologies such as ISO Class 1 ultra-high cleanliness construction, AMC (Airborne Molecular Contamination) control, micro-vibration control, and precise temperature and humidity regulation. Relying on tools such as CFD simulation, BIM digital modeling, and engineering databases, and with hundreds of patents and mature processes, it accurately meets the stringent environmental requirements of semiconductors, advanced packaging, and other fields. With the triple guarantee of "professional team + standardized processes + digital tools", it achieves an efficient closed-loop of project execution, with full-chain coordination from program design, procurement and construction to operation and maintenance services, and efficient achievement of various milestone nodes.

The team has both domestic and foreign engineering compliance and implementation experience, enabling rapid adaptation to different regional standards and synchronous and efficient advancement of domestic and overseas projects.



(IV) Accumulated Outstanding Achievements and Reputable Brand: Stronger Market Competitiveness

High-tech workshop in high-end electronics industry entails huge investment, and high stability of clean room. For the purpose of reducing investment risks and costs and ensuring product yield, owners are apt to prefer leading, well-experienced engineering service enterprises with outstanding performance.

Adhering to the development strategy of “multiple clients, multiple industries, multiple trades, and multiple regions”, the Company, by virtue of its outstanding service quality, efficient project execution capabilities, and professional talent team, has expanded its business to major cities in many countries and regions around the world, cooperating with hundreds of world-renowned enterprises. The undertaken projects cover industries such as semiconductors, precision manufacturing, optoelectronic panels, biotech/medical care, commercial buildings, government projects, department stores, and hospitals, with rich engineering achievements in air conditioning, mechanical and electrical engineering, cleanrooms, and other fields. As of the end of the reporting period, the Company has accumulated more than 500 cleanroom-related projects, including nearly 100 Class 100 and above cleanroom projects.

Under the context of the rapid iteration and upgrading of high-tech industries such as semiconductors, electronic manufacturing, and photoelectric display, the Company, as a system integration enterprise, has always worked with clients as closely as possible and witnessed each client’s growth in depth. The Company has made transformations from technological breakthroughs to capacity expansion and from process optimization to intelligent transformation. Based on its professional technical team, flexible solutions and efficient service system, the Company offers tailored system integration services complying with clients’ development strategies so as to help them stand out in the fierce competition.

We feel blessed to establish a deep, stable cooperative relationship with outstanding enterprises in many industries during our development. Our clients cover the leading enterprises in various sub-sectors and well-known enterprises in the upstream and downstream of the industry chain. Relying on the stable client group duly established through long-term efforts, the Company has formed the core resource advantages to ensure the sustainable development of its business.

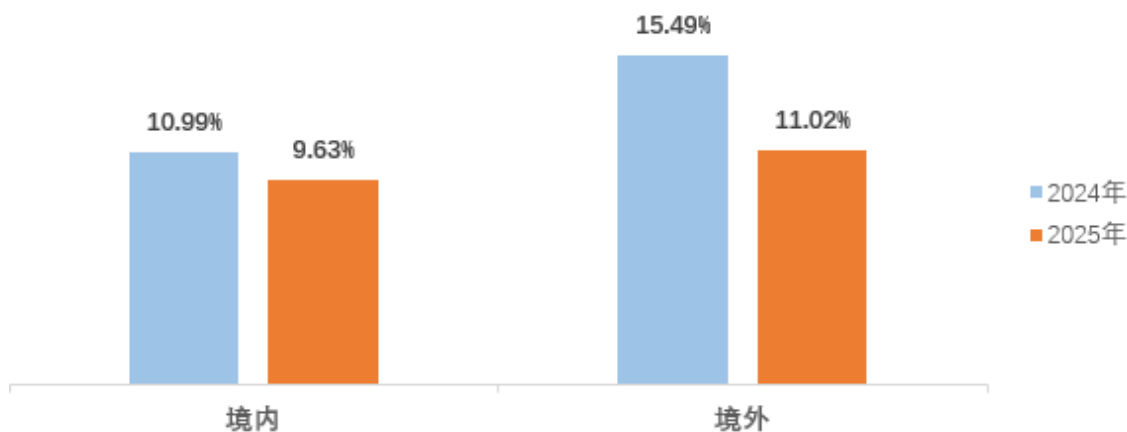
V. Main Operations during the Reporting Period

(I) Operational Overview

During the reporting period, the Company achieved total operating revenue of RMB 2.989 billion, a YoY increase of 48.85%; the net profit attributable to shareholders of listed companies amounted to RMB 155 million, a YoY increase of 35.09%; the total value of newly signed orders for the period amounted to RMB 3.831 billion (tax-exclusive), a YoY increase of 59.99%; as of the end of the reporting period, the total value of orders in hand amounted to RMB 2.538 billion (tax-exclusive), a YoY increase of 46.28%. This was mainly because edge AI applications drove downstream industries to increase capital expenditures. The Company seized opportunities from new construction or renovation and expansion demands in the chip manufacturing and related supporting industries, combined with continuous deep cultivation of clients in precision manufacturing, packaging and testing, PCB, and other industries in Southeast Asia, creating opportunities for the Company’s performance growth.

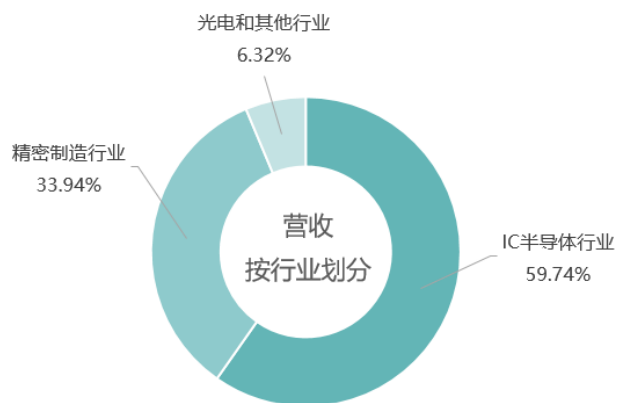


During the reporting period, the gross profit margin of the Company’s main business was 10.21%, a YoY decrease of 2.3 percentage points. The level of gross profit margin is mainly determined by market competition. Based on the comprehensive considerations of deepening cooperation with strategic clients, pre-layout in key market areas, and consolidating market position, the Company will strategically undertake some projects. In the bidding for large-scale projects, clients have stronger bargaining power and competition is more intense. At the same time, the projects themselves have higher requirements in terms of system integration complexity, cross-regional resource allocation, and preliminary investment, which will put pressure on the overall gross profit margin in the short term. The Company will continuously improve the overall profitability by strengthening project evaluation and cost control.



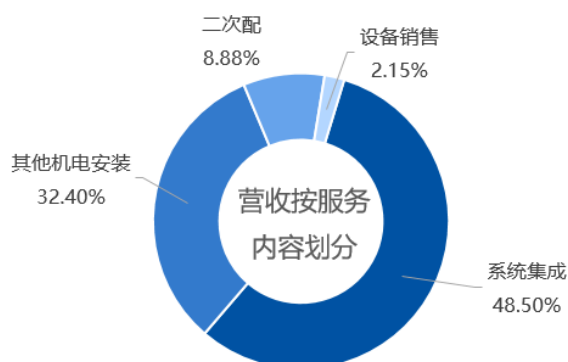
In 2025, the Company achieved operating revenue of RMB 2.986 billion from its main business, a YoY increase of 48.92%.

Specifically, classified by the industry of downstream clients: the revenue from the IC semiconductor industry amounted to RMB 1.784 billion, accounting for 59.74% of total main business revenue, a YoY increase of 49.42%; the revenue from the precision manufacturing industry amounted to RMB 1.013 billion, accounting for 33.94%, a YoY increase of 63.43%; and revenue from the optoelectronics and other industries amounted to RMB 189 million, accounting for 6.32%, a YoY decrease of 1.34%.



Classified by engineering service content: the revenue from system integration engineering amounted to RMB 1.689 billion, accounting for 56.57% of total main business revenue, a YoY increase of 73.68%; the revenue from hook-up works amounted to RMB 265 million, accounting for 8.88%, a YoY decrease

of 8.01%; the revenue from other electromechanical installation engineering amounted to RMB 967 million, accounting for 32.40%, a YoY increase of 36.27%; and the revenue from equipment sales amounted to RMB 64 million, accounting for 2.15%, a YoY increase of 86.89%.

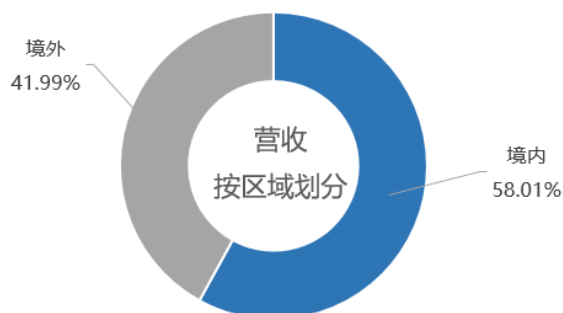


Classified by client location: the domestic revenue amounted to RMB 1.732 billion, accounting for 58.01% of total revenue, a YoY increase of 30.45%; the overseas revenue amounted to RMB 1.254 billion, accounting for 41.99%, a YoY increase of 85.11%. The proportion of overseas operating revenue is continuously increasing.

Driven by the restructuring of global supply chains and the vigorous development of local electronics manufacturing enterprises in Southeast Asia, the Southeast Asian market has shown strong growth potential in revenue for the cleanroom engineering industry. The Company's subsidiaries in Vietnam, Thailand, Malaysia, Indonesia, etc., are backed by the domestic market, achieving efficient complementarity and coordinated supply of raw materials, technology, and manpower. The subsidiaries complement each other, making business development increasingly flexible and resilient.

Domestic projects target clients mainly across the IC semiconductor industry chain, especially upstream crystal growth, cutting, grinding, polishing, mask, epitaxy factories, and downstream packaging and testing factories. Clients in the high-end PCB industry driven by AI edge applications also account for a significant share. The laboratory engineering projects strategically undertaken by the Company, although impacting the gross profit margin during the reporting period, allow the Company to accumulate engineering track records in related industries, potentially creating new revenue growth points in the future.

Among all the overseas subsidiaries, Acter (Vietnam) ranked among the top with 95 projects in process. Thanks to its excellent project execution capacity and considerate services, Acter (Vietnam) won the trust of many famous clients. Its client base in Vietnam mainly consists of SMT assembly plants and PCB manufacturers, covering Wistron InfoComm, ALPHA NETWORKS, SIMPLO, Darfon, Goertek, Tripod, etc. The total number of Acter (Vietnam)'s projects in process was 14, with a total amount of RMB 1.298 billion, and the main clients included UNIEQ and Peng Shen.



(II) Financial Conditions

Essentially speaking, the engineering system service providers subcontract the projects that they contract to a third party. On the basis of the nature of the project contract, some of the materials and equipment required for construction are purchased by the subcontractors, while the rest are purchased in advance according to the procurement procedure in order to satisfy the construction progress. Subcontractors must have sufficient capital and need to pay capital before undertaking large system

integration projects, such as bid bond, performance bond, material & equipment price, outsourcing costs, and warranty payment.

During the reporting period, the Company's net cash flow from operating activities amounted to RMB 144 million, indicating a generally good cash flow position. At the end of the period, the Company had RMB 776 million in cash on hand, and its asset-liability ratio was 49.60%. A sound financial structure also enhances the owner's trust in the Company.

(III) Human Resources Conditions

1. Stable Growth of Engineering and Technical Personnel

As of the end of the reporting period, the Company had a total of 762 employees, an increase of 6.72% compared with the same period of last year, with the number of engineering and technical personnel increasing to 642. The number of employees with vocational skills certificates was 365, while the number of registered Level A and B constructors specialized in architecture, electromechanical engineering, etc. was 59; the number of employees with intermediate and senior titles was 95. The Company has built the 3D patent matrix of "skill certification + professional qualification + title echelon" constantly, which improves the Company's core competitiveness for large project bidding and technological innovation.

2. Continuous Advancement of Professional Skills Training

During the reporting period, the Company offered internal and external courses and annual required courses for employees, who, through offline face-to-face teaching, were encouraged to discuss with lecturers in depth, thus promoting bilateral knowledge transfer, realizing benign interaction, helping employees to improve their professional skills comprehensively, and facilitating individual growth and enterprise development at the same time. During the reporting period, the Company organized 42 training sessions by investing RMB 0.3428 million. With a total length of 10,879 hours, the training involved 504 employees with a per capita training length of 21.6 hours and training coverage of 96%.

3. Initial Success in Management Talent Reserve

During the reporting period, the Company successfully held the 6th "Reserve Director Training Camp". Through the systematic training in such specialized fields as legal risk control, cost actuarial, green construction, etc., the Company built the interdisciplinary talent reserve system empowered from different perspectives. The camp above has cultivated more than 200 reserved managers for the Company, thus improving team's lean management level and project full-cycle control capacity effectively, injecting innovation power for the Company's high-quality development and reinforcing the industry's core competitiveness constantly.

(I) Main Business Analysis

1. Analysis of changes in relevant items in the profit statement and cash flow statement

In RMB Yuan

Item	Amount in the Period	Amount in the Same Period of Last Year	Change (%)
Operating revenue	2,988,504,733.21	2,007,697,317.98	48.85
Operating cost	2,682,042,853.54	1,755,007,424.22	52.82
Sales expenses	5,301,670.67	6,781,770.06	-21.82
Administrative expenses	66,142,614.00	62,519,012.85	5.80
Finance costs	-15,593,381.84	-10,917,383.30	N/A
R&D expenses	31,250,454.73	33,529,705.96	-6.80
Net cash flows from operating activities	144,165,160.53	-3,708,149.80	N/A
Net cash flows from investing activities	44,471,475.06	-78,315,303.53	N/A
Net cash flows from fund-raising activities	-77,864,851.48	-57,173,481.03	N/A
Taxes and surcharges	4,861,192.07	3,455,150.25	40.69
Other gains	227,523.20	433,289.18	-47.49
Investment income	958,818.27	814,005.65	17.79
Gain on change in fair value	-25,000.00	25,000.00	-200
Credit impairment loss	-11,813,453.19	2,207,755.91	-635.09
Impairment loss on assets	5,508,369.40	-6,812,588.09	N/A

Gain on disposal of assets	449,638.47	98,152.04	358.10
Non-operating revenue	602,379.74	37,943.24	1,487.58
Non-operating expenses	1,115,103.39	365,007.19	205.50
Income tax expense	49,281,751.34	36,650,409.77	34.46
Minority interests	5,464,608.09	2,707,464.55	101.83
Translation differences in foreign current statements	-7,644,568.62	-3,756,476.25	N/A
Net of tax of other comprehensive income attributable to minority shareholders	-319,423.77	40,729.72	-884.25

Explanation for the changes in operating income: The operating income increased by 48.85% YoY, which was attributable to the significant growth in newly signed domestic and overseas orders and the large volume of projects executed during the period;

Explanation for the changes in operating costs: The operating costs increased by 52.82% YoY, which was attributable to an increase in operating income that led to a corresponding increase in costs;

Explanation for changes in financial expenses: The financial expenses changed significantly compared with the prior period, which was attributable to the increase in exchange gains of overseas subsidiaries during the period;

Explanation for the changes in net cash flow from operating activities: The net cash flow from operating activities changed significantly compared with the prior period, which was attributable to the increase in advance project payments received and client collections during the period;

Explanation for the changes in net cash flow from investing activities: The net cash flow from investing activities recorded a significant change compared with the prior period, which was attributable to the full redemption of structured deposits during the period;

Explanation for the changes in net cash flow from financing activities: The net cash flow from financing activities recorded a significant change compared with the prior period, which was attributable to the repayment of bank loans by subsidiaries and the large amount of interim dividends distributed during the period;

Explanation for the changes in taxes and surcharges: Taxes and surcharges increased by 40.69% YoY, which was attributable to the increase in prepaid value-added tax during the period that led to a corresponding increase in accrued surtaxes;

Explanation for the changes in other income: Other income decreased by 47.49% YoY, which was attributable to the decrease in government subsidies received during the period;

Explanation for the changes in gains from fair value changes: The gains from fair value changes decreased by 200% YoY, which was attributable to the redemption of structured deposits during the period and the reversal of the gains from fair value changes of structured deposits recognized in the prior period;

Explanation for the changes in credit impairment losses: The credit impairment losses recorded a significant change compared with the prior period, which was attributable to the increase in accounts receivable during the period that led to a corresponding increase in the provision for bad debts;

Explanation of the changes in asset impairment losses: The asset impairment losses recorded a significant change compared with the prior period, which was attributable to the large amount of unexpired quality deposits recovered during the period; the impairment provision of RMB 3.11 million for Boyuan's unexpired quality deposits made in the prior period became matured quality deposit payments and were fully recovered during the period;

Explanation of the changes in gains on asset disposal: The gains on asset disposal increased by 358.10% YoY, which was attributable to the increase in gains from the sale of vehicles during the period;

Explanation of the changes in non-operating income: Non-operating income increased by 1,487.58% YoY, which was attributable to the large amount of insurance claim payments received during the period;

Explanation of the changes in non-operating expenses: Non-operating expenses increased by 205.50% YoY, which was attributable to the payment of worker compensation and fines paid by overseas subsidiaries during the period;

Explanation of the changes in minority interests: Minority interests increased by 101.83% YoY, which was attributable to the increase in net profits of Thai and Indonesian joint ventures during the period that led to an increase in minority interests;

Explanation of the changes in translation differences on foreign current statements: The translation

differences on foreign current statements recorded a significant change compared with the prior period, which was attributable to the foreign currency translation differences caused by exchange rate fluctuations in foreign currency statements during the period;

Explanation of the changes in the net of tax of other comprehensive income attributable to minority shareholders: The net of tax of other comprehensive income attributable to minority shareholders decreased by 884.25% YoY, which was attributable to the significant fluctuation in the translation differences on foreign current statements attributable to minority shareholders caused by exchange rate fluctuations in foreign currency statements during the period compared with the prior period;

Explanation of the changes in income tax expense: Income tax increased by 34.46% YoY, which was attributable to the increase in total profit during the period and the relatively high overseas income tax burden;

Detailed description of significant changes in the Company's business type, profit composition, or profit sources in the period

Applicable N/A

2. Revenue and cost analysis

Applicable N/A

See the explanation of main business by industry, product, region, and sales model for details.

(1). Information of main businesses by industry, product, region, and distribution mode

In RMB Yuan

Main Business by Industry						
By Industry	Operating Revenue	Operating Cost	Gross Profit Rate (%)	YoY Change in Operating Revenue (%)	YoY Change in Operating Cost (%)	YoY Change in Gross Profit (%)
IC semiconductor industry	1,783,657,496.72	1,614,991,631.94	9.46	49.42	49.41	Increased by 0.01%
Precision manufacturing industry	1,013,374,881.06	902,860,146.30	10.91	63.43	72.13	Decreased by 4.49%
Photoelectricity industry	45,395,441.11	45,385,724.01	0.02	-50.90	-38.89	Decreased by 19.64%
Other industries	143,223,087.58	117,505,275.17	17.96	45.06	57.88	Decreased by 6.66%
Total	2,985,650,906.47	2,680,742,777.42	10.21	48.92	52.82	Decreased by 2.30%
Main Business by Product						
By Product	Operating Revenue	Operating Cost	Gross Profit Rate (%)	YoY Change in Operating Revenue (%)	YoY Change in Operating Cost (%)	YoY Change in Gross Profit (%)
Clean room engineering	1,954,262,651.25	1,774,666,731.19	9.19	55.00	60.69	Decreased by 3.22%
Including: system integration	1,689,093,536.60	1,555,531,967.20	7.91	73.68	82.03	Decreased by 4.22%
Hook-up works	265,169,114.65	219,134,763.99	17.36	-8.01	-12.29	Decreased by 4.03%

Other electromechanical installation works	967,338,675.54	854,431,027.90	11.67	36.27	37.46	Decreased by 0.77%
Equipment sales	64,049,579.68	51,645,018.33	19.37	86.89	83.33	Decreased by 1.57%
Total	2,985,650,906.47	2,680,742,777.42	10.21	48.92	52.82	Decreased by 2.30%
Main Business by Region						
By Region	Operating Revenue	Operating Cost	Gross Profit Rate (%)	YoY Change in Operating Revenue (%)	YoY Change in Operating Cost (%)	YoY Change in Gross Profit (%)
Domestic regions	1,732,001,894.51	1,565,204,529.31	9.63	30.45	32.44	Decreased by 1.36%
Including: East China	748,945,902.52	625,755,944.28	16.45	3.87	2.04	Increased by 1.49%
Central China	764,629,148.32	735,466,197.83	3.81	85.20	86.88	Decreased by 0.87%
Other regions	218,426,843.67	203,982,387.20	6.61	12.73	16.54	Decreased by 3.06%
Overseas regions	1,253,649,011.96	1,115,538,248.11	11.02	85.11	94.90	Decreased by 4.47%
Including: Vietnam	654,733,308.92	574,551,826.99	12.25	81.55	98.39	Decreased by 7.45%
Indonesia	113,971,753.93	97,389,972.09	14.55	99.91	97.87	Increased by 0.88%
Thailand	462,627,852.68	426,064,593.05	7.90	161.00	172.60	Decreased by 3.92%
Other regions	22,316,096.43	17,531,855.98	21.44	-72.90	-77.30	Increased by 15.24%
Total	2,985,650,906.47	2,680,742,777.42	10.21	48.92	52.82	Decreased by 2.30%

Explanation for main businesses by industry, product, region, and distribution mode

During the reporting period, the Company's revenue from core business increased by 48.92% YoY, which was attributable to the rapid development of the artificial intelligence and semiconductor industries. The Company seized market opportunities and actively expanded its pool of new clients. Relying on the advantages of its strategic layout in overseas markets, the Company's revenue from overseas regions recorded significant growth, while that from the domestic market maintained steady growth. By industry segment, both revenue and costs in the semiconductor sector, precision manufacturing sector, and other sectors rose significantly, whereas revenue in the optoelectronic sector declined as the projects undertaken entered the final stage. By product segment, cleanroom engineering, other electromechanical installation engineering, and equipment sales all achieved substantial growth. The Company's operating costs increased by 52.82% YoY, and its gross profit margin decreased by 2.30% YoY, mainly due to fierce market competition, which led to a decline in the gross profit of new orders secured by the Company.

(2). Analysis of production and sales volume

Applicable N/A

(3). Fulfilment of major purchase contracts and major sales contracts

Applicable N/A

(4). Cost analysis table

In RMB Yuan

By Industry							
By Industry	Cost Item	Amount in the Period	Proportion in the Total cost for the Current Period (%)	Amount in the Same Period of Last Year	Proportion of Total Costs for the Same Period of Last Year (%)	Proportion of Change of the Amount in the Period Compared with the Same Period of Last Year (%)	Explanation Remarks
Construction and installation industry	Equipment and materials	1,431,759,185.01	53.41	892,624,851.04	50.89	60.40	Note 1
	Labor subcontracting	1,083,561,071.75	40.42	736,309,579.09	41.98	47.16	Note 1
	Labor cost	84,381,639.58	3.15	74,915,887.06	4.27	12.64	
	Other expenses	81,040,881.08	3.02	50,292,546.70	2.86	61.14	Note 1
Total		2,680,742,777.42	100.00	1,754,142,863.89	100.00	52.82	Note 1

Explanation for other cost analysis

Note 1: During the reporting period, the Company's main business operating cost increased by 52.82% YoY. Specifically, equipment and materials cost increased by 60.40%, labor subcontracting cost increased by 47.16%, and other expenses increased by 61.14%, which was attributable to the increase in operating revenue and the expansion of project scale, leading to a significant increase in material, subcontracting, and engineering costs.

(5). Change of merger scope caused by the equity change of major subsidiaries during the reporting period
 Applicable N/A
(6). Major changes in or adjustments to the Company's business, products, or services during the reporting period
 Applicable N/A
(7). Major clients and major suppliers

Clients or suppliers under the same controlling party are considered as a single client or supplier for disclosure purposes, except those actually controlled by the same state-owned asset management institution.

Explanation for the presentation of the following client and supplier information calculated on a combined basis under the same control scope

None

A. The Company's major clients and major suppliers
 Applicable N/A

The sales volume of the Company's top 5 clients amounted to RMB 1.5724508 billion, accounting for 52.62% of the Company's total annual sales volume. To be specific, the sales volume of related parties in the volume above amounted to RMB 0 million, accounting for 0% of the Company's total annual sales volume.

The procurement amount of the top 5 suppliers is RMB 355.7298 million, accounting for 14.11% of the total annual procurement amount; among them, the procurement amount of related parties among the top 5 suppliers is RMB 0 million, accounting for 0% of the total annual procurement amount.

B. The proportion of sales to a single client exceeding 50% of the total amount, the existence of new clients among the top 5 clients, or heavy reliance on a small number of clients during the reporting period

Applicable N/A

The proportion of procurement from a single supplier exceeding 50% of the total amount, the existence of new suppliers among the top 5 suppliers, or heavy reliance on a small number of suppliers during the reporting period

Applicable N/A

C. Company stock being subject to delisting risk warning or other risk warnings during the reporting period

Top 5 clients

Applicable N/A

Top 5 suppliers

Applicable N/A

D. Existence of trading business revenue during the reporting period

Applicable N/A

Top 5 clients where trading business revenue accounts for over 10% of operating revenue

Applicable N/A

Top 5 suppliers where trading business revenue accounts for over 10% of operating revenue

Applicable N/A

Other notes:

None

3. Fees

Applicable N/A

Item	2025		2024		Proportion of Change of the Amount in the Period Compared with the Same Period of Last Year (%)
	Amount	Proportion in Operating Revenue (%)	Amount	Proportion of Operating Revenue (%)	
Sales expenses	5,301,670.67	0.18	6,781,770.06	0.34	-21.82
Administrative expenses	66,142,614.00	2.21	62,519,012.85	3.11	5.80
R&D expenses	31,250,454.73	1.05	33,529,705.96	1.67	-6.80

In RMB Yuan

Finance costs	- 15,593,381.84	-0.52	- 10,917,383.30	-0.54	42.83
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4. R&D investment

(1). Table of R&D investment

Applicable N/A

	In RMB Yuan
Expensed R&D investment in the period	31,250,454.73
Capitalized R&D investment in the period	
Total of R&D investment	31,250,454.73
Proportion of total R&D investment in the operating revenue (%)	1.05
Proportion of capitalized R&D investment (%)	

(2). Table of R&D personnel

Applicable N/A

Number of the Company's R&D personnel	80
Proportion of R&D personnel in the total number of the Company's staff (%)	10.50
Educational Structure of R&D Personnel	
Category of Educational Structure	Educational Structure and Number of R&D Personnel
Doctorate	0
Master's degree	2
Bachelor's degree	60
College degree	18
Senior high school and below	0
Age Structure of R&D Personnel	
Category of age structure	Number
Below 30 (excluding 30)	48
30-40 (including 30 but excluding 40)	22
40-50 (including 40 but excluding 50)	9
50-60 (including 50 but excluding 60)	1
60 and above	0

(3). Remarks

Applicable N/A

(4). Reason for significant changes in the composition of R&D personnel and its impact on the Company's development

Applicable N/A

5. Cash flow

Applicable N/A

	In RMB Yuan		
Item	Amount in the Period	Amount in the Same Period of Last Year	Change (%)

Net cash flows from operating activities	144,165,160.53	-3,708,149.80	N/A
Net cash flows from investing activities	44,471,475.06	-78,315,303.53	N/A
Net cash flows from fund-raising activities	-77,864,851.48	-57,173,481.03	N/A
Net increase in cash and cash equivalents	112,228,989.96	-135,100,740.92	N/A

Note: The significant change in the net increase of cash and cash equivalents compared to the prior period is mainly due to higher sales collections during the current period, resulting in a significant YoY increase in net cash flow from operating activities.

(II) Explanation for Significant Changes in Profit Due to Non-principal Business

Applicable N/A

(III) Analysis of Assets and Liabilities

Applicable N/A

1. Assets and liabilities

In RMB Yuan

Item	Closing Balance of the Current Period	Proportion of Closing Balance of the Current Period in the Total Assets (%)	Closing Balance of the Prior Period	Proportion of Closing Balance of the Prior Period in the Total Assets (%)	Proportion of Change of Amount at the End of Current Period over the Prior Period (%)	Remarks
Monetary fund	776,462,102.03	32.90	575,382,706.17	29.47	34.95	Note 1
Trading financial assets			50,025,000.00	2.56	-100.00	Note 2
Bills receivable	14,984,752.50	0.63	27,398,673.04	1.40	-45.31	Note 3
Accounts receivable	572,228,940.18	24.25	362,233,577.57	18.55	57.97	Note 4
Receivables financing	3,581,195.46	0.15	2,499,031.97	0.13	43.30	Note 5
Prepayments	85,047,840.36	3.60	110,647,060.26	5.67	-23.14	
Other receivables	10,399,844.12	0.44	9,824,375.86	0.50	5.86	
Inventory	7,003,896.97	0.30	3,585,610.06	0.18	95.33	Note 6
Contract assets	627,722,405.48	26.60	565,904,050.40	28.98	10.92	
Other current assets	132,302,932.48	5.61	121,512,159.50	6.22	8.88	
Long-term equity investment	2,421,125.42	0.10	2,342,859.23	0.12	3.34	
Investments in other equity instruments	14,523,380.46	0.62	12,947,918.04	0.66	12.17	
Investment	1,865,182.	0.08	531,707.64	0.03	250.79	Note 7

properties	18					
Fixed assets	59,703,226.02	2.53	56,924,292.01	2.92	4.88	
Construction in progress		-	2,577,156.79	0.13	-100	Note 8
Intangible assets	7,473,299.32	0.32	7,693,073.36	0.39	-2.86	
Right-of-use assets	4,247,874.96	0.18	4,064,612.80	0.21	4.51	
Deferred tax assets	18,987,559.65	0.80	12,755,515.14	0.65	48.86	Note 9
Other non-current assets	20,995,760.63	0.89	23,661,503.85	1.21	-11.27	
Short-term loan	46,106,867.32	1.95	23,866,103.44	1.22	93.19	Note 10
Accounts payable	848,078,358.80	35.94	598,788,193.06	30.67	41.63	Note 11
Payroll payable	55,268,012.27	2.34	41,972,766.98	2.15	31.68	Note 12
Tax payable	27,347,923.11	1.16	15,374,255.49	0.79	77.88	Note 13
Other payables	24,903,726.87	1.06	24,647,083.82	1.26	1.04	
Contract liabilities	123,075,413.44	5.22	88,601,839.41	4.54	38.91	Note 14
Non-current liabilities due within one year	1,894,011.34	0.08	2,421,048.35	0.12	-21.77	
Lease liabilities	1,499,843.57	0.06	1,585,929.64	0.08	-5.43	
Estimated liabilities	12,951,146.25	0.55	11,183,840.39	0.57	15.80	
Long-term payroll payable	84,420.86	-	65,569.85	-	28.75	
Deferred tax liabilities	29,287,330.01	1.24	17,711,782.30	0.91	65.36	Note 15
Capital stock	100,000,000.00	4.24	100,000,000.00	5.12		
Capital reserves	562,632,775.45	23.84	562,632,775.45	28.82		
Other comprehensive income	-8,568,151.93	-0.36	2,502,891.67	-0.13	242.33	Note 16
Special reserves	43,710,985.63	1.85	44,175,259.38	2.26	-1.05	
Earned surplus	53,063,723.06	2.25	45,818,775.40	2.35	15.81	
Undistributed profits	417,612,476.10	17.70	360,311,280.65	18.45	15.90	
Minority interest	21,002,456.07	0.89	15,857,271.75	0.81	32.45	Note 17

Other notes:

Note 1: The monetary fund increased by 34.95% YoY, which was attributable to an increase in advance receipts from engineering contracts and higher collections from construction projects during the current period;

Note 2: The trading financial assets decreased by 100% YoY, which was attributable to the redemption of structured deposits purchased at the end of the prior period during the current period;

Note 3: The bills receivable decreased by 45.31% YoY, which was attributable to a decrease in commercial acceptance notes at the end of the current period and the maturity and cashing of bank acceptance notes from the prior period;

Note 4: The accounts receivable increased by 57.97% YoY, which was attributable to an increase in receivables at the end of the period resulting from more construction projects during the current period;

Note 5: The receivables financing increased by 43.30% YoY, which was attributable to an increase in bank acceptance notes with high credit ratings at the end of the current period;

Note 6: The inventory increased by 95.33% YoY, which was attributable to an increase in equipment and materials stocked domestically at the end of the current period compared to the end of the prior period;

Note 7: The investment properties increased by 250.79% YoY, which was attributable to the leasing of idle company properties during the current period;

Note 8: The construction in progress decreased by 100% YoY, which was attributable to the completion of the R&D building under construction during the current period and its transfer to fixed assets;

Note 9: The deferred tax assets increased by 48.86% YoY, which was attributable to an increase in deductible temporary differences resulting from increased provisions for impairments during the current period;

Note 10: The short-term loans increased by 93.19% YoY, which was attributable to a tight cash flow situation caused by the large scale of newly contracted engineering projects in Vietnam, leading to bank borrowings that have not yet been repaid;

Note 11: The accounts payable increased by 41.63% YoY, which was attributable to an increase in payments for materials, equipment, and subcontracting works resulting from more construction projects during the current period;

Note 12: The employee compensation payable increased by 31.68% YoY, which was attributable to an increase in the amount of year-end bonuses payable;

Note 13: The tax payable increased by 77.88% YoY, which was attributable to an increase in total profit for the period and a higher overseas income tax burden, leading to an increase in the amount of income tax payable;

Note 14: The contract liabilities increased by 38.91% YoY, which was attributable to an increase in advance receipts from engineering contracts for newly received projects;

Note 15: The deferred tax liabilities increased by 65.36% YoY, which was attributable to a higher amount of deferred tax resulting from higher overseas profits during the current period;

Note 16: Other comprehensive income increased by 242.33% YoY, which was attributable to significant fluctuations in foreign currency statement exchange rates during the current period;

Note 17: The minority interests increased by 32.45% YoY, which was attributable to an increase in net profit of subsidiaries, leading to an increase in income attributable to minority interests.

2. Foreign assets

Applicable N/A

(1) Asset scale

Including: overseas assets of 720,535,222.87 (RMB Yuan), accounting for 30.53% of the total assets.

(2) Explanation for the high proportion of overseas assets

Applicable N/A

Name of Overseas Asset	Reason for Formation	Operation Model	In RMB Yuan	
			Operating Revenue for the Reporting Period	Net Profit for the Reporting Period
Sheng Huei Engineering Technology Company Limited	Subsidiary	Overseas cleanroom engineering business	637,991,106.16	54,428,276.72

3. Restrictions on major assets as of the end of the reporting period Applicable N/A

In RMB Yuan

Item	Balance at the End of the Year	Balance at the Beginning of the Year
Margin/special purpose funds	89,337,129.96	486,724.06
Total	89,337,129.96	486,724.06

The Group's other monetary funds primarily consist of margins and project-specific funds, specifically including margin deposits deposited with banks for the application of guarantee letters, and project funds that are required to be used for specific purposes as per regulations.

4. Others Applicable N/A**(IV) Analysis on the Industry Operating Information** Applicable N/A

For details, please refer to "II. Situation of the Company's Industry during the Reporting Period" in "Section III Management Discussion and Analysis".

Analysis on the operating information of the construction industry**1. Projects completed and accepted during the reporting period** Applicable N/A

In RMB 10,000

Breakdown by Industry	House Construction	Infrastructures	Specialized Engineering	Architectural Decoration	Others	Total
Number of projects			685	2	38	725
Total			127,456.77	28.62	4,735.36	132,220.75

 Applicable N/A

In RMB 10,000

Project Regions	Number of Projects	Total
Domestic	459	86,860.52
Overseas	266	45,360.23
Including:		
Vietnam	195	36,496.99
Indonesia	46	4,690.59
Thailand	21	2,471.07
Other	4	1,701.58
Total	725	132,220.75

Other notes:

 Applicable N/A**2. Projects in process during the reporting period** Applicable N/A

In RMB 10,000

Breakdown by Industry	House Construction	Infrastructures	Specialized Engineering	Architectural Decoration	Others	Total
Number of projects		1	475	0	33	509
Total		3,669.72	727,028.03	-	19,291.44	749,989.19

 Applicable N/A

In RMB 10,000

Project Regions	Number of Projects	Total
Domestic	341	470,924.44
Overseas	168	279,064.75
Including:		
Vietnam	95	109,655.22
Indonesia	53	17,625.35
Thailand	14	129,845.47
Other	6	21,938.71
Total	509	749,989.19

Other notes:

 Applicable N/A**3. Major projects in process**

Applicable N/A

In RMB 10,000

Item	Business Mode	Item Amount	Construction Period	Completion Percentage (%)	Income Recognized in the Period	Income Recognized Cumulatively	Amount Collected Cumulatively as of the End of the Period	Project Progress in Line with Expectations or Not	Payment Progress in Line with Expectations or Not
Project 1	Construction contract	28,371.49	790	96.68	-437.74	27,428.44	26,846.60	Yes	Yes
Project 2	Construction contract	39,195.34	480	97.13	2,584.46	38,070.41	32,541.46	Yes	Yes
Project 3	Construction contract	30,459.80	713	94.64	8,452.10	28,826.15	20,059.20	Yes	Yes
Project 4	Construction contract	74,849.94	22 months	78.19	43,775.53	58,522.61	62,935.01	Yes	Yes
Project 5	Construction contract	101,113.62	15 months	58.54	59,191.46	59,191.46	56,405.36	Yes	Yes
Project 6	Turnkey construction contract	24,451.43	19 months	58.60	14,329.64	14,329.64	13,129.36	Yes	Yes
Tripod Vietnam (Chau Duc) Electronics Co., Ltd. Utility System Engineering	Turnkey construction contract	28,576.21	231	49.74	14,212.63	14,212.63	5,654.00	Yes	Yes

Other notes:

Applicable N/A

The cost inputs in the period and cumulative cost inputs are not disclosed after considering the Company's commercial secrets and the sensitive information contained in the two items;

1. As the relevant transaction in Project 1 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals' specific project status is not disclosed. For details of the relevant announcement, please refer to the No. 2023-005 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on March 10, 2023, and the difference in the contract amount is for the additional and deducted works to be incurred in the subsequent period;
2. As the relevant transaction in Project 2 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals' specific project status is not disclosed. For

- details of the relevant announcement, please refer to the No. 2023-032 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on August 1, 2023, and the difference in the contract amount is for the additional works to be incurred in the subsequent period;
3. As the relevant transaction in Project 3 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals' specific project status is not disclosed. For details of the relevant announcement, please refer to the No. 2024-011 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on March 15, 2024, and the difference in the contract amount is for the additional works to be incurred in the subsequent period;
 4. As the relevant transaction in Project 5 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals' specific project status is not disclosed. For details of the relevant announcement, please refer to the No. 2025-001 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on January 1, 2025, and the difference in the contract amount is for the additional works to be incurred in the subsequent period;
 5. As the relevant transaction in Project 5 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals' specific project status is not disclosed. For details of the relevant announcement, please refer to the 2025-028 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on April 29, 2025, and the difference in the contract amount is for the additional works to be incurred in the subsequent period;
 6. As the relevant transaction in Project 5 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals' specific project status is not disclosed. For details of the relevant announcement, please refer to the 2025-004 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on February 14, 2025, and the difference in the contract amount is for the project being one of the sub-projects of the winning contract.
 7. The contract amount for Tripod Vietnam (Chau Duc) Electronics Co., Ltd. Utility System Engineering differs from the amount in the 2025-056 announcement disclosed on the website of the Shanghai Stock Exchange on October 24, 2025, which was attributable to exchange rate fluctuations.

4. New projects signed cumulatively during the reporting period

Applicable N/A

A total of 815 new projects were signed accumulatively during the reporting period, with a total amount of RMB 4,095.9121 million (tax-inclusive) and RMB 3,830.7592 million (tax-exclusive).

5. Orders in hand as of the end of the reporting period

Applicable N/A

The total amount of orders in hand as of the reporting period was RMB 2.538 billion (tax-exclusive). To be specific, the amount of projects for which contracts had been signed but which hadn't been commenced was RMB 0 million while that of the uncompleted part of the projects in process was RMB 2.538 billion.

Other notes:

Applicable N/A

6. Others

Applicable N/A

(V) Analysis on Investment Status

Overall analysis on the external equity investments

Applicable N/A

1. Significant equity investments

Applicable N/A

2. Significant non-equity investments

Applicable N/A

3. Financial assets at fair value

Applicable N/A

In RMB Yuan

Asset Category	Opening Balance	Gain or Loss on Fair Value Changes in the period	Accumulated Fair Value Changes Recognized in Equity	Impairment Provision in the Period	Amount of Procurement in the Period	Amount Sold/Redeemed in the Period	Other Changes	Amount at the End of the Period
Structured deposits	50,025,000.00	-25,000.00			255,000,000.00	305,000,000.00		
Investments in other equity instruments	12,947,918.04		1,575,462.42					14,523,380.46
Receivables financing	2,499,031.97						1,082,163.49	3,581,195.46
Total	65,471,950.01	-25,000.00	1,575,462.42		255,000,000.00	305,000,000.00	1,082,163.49	18,104,575.92

Investment in securities

Applicable N/A

In RMB Yuan

Securities Variety	Securities Code	Securities Abbreviat	Initial Investme	Capital Source	Opening Book	Gain or Loss on	Accumula ted Fair	Amount of	Amount Sold in	Investme nt Gain or	Ending Book	Accounti ng Item
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		ion	nt Cost		Value	Fair Value Changes in the Period	Value Changes Recognized in Equity	Procurement in the Period	the Period	Loss in the Period	Value	
Stock	688584	Wafer Works		Self-owned capital	12,947,918.04		1,575,462.42				14,523,380.46	Investments in other equity instruments
Total	/	/		/	12,947,918.04		1,575,462.42				14,523,380.46	/

Explanation for investment in securities

Applicable N/A

Investment in private equity funds

Applicable N/A

Investment in derivatives

Applicable N/A

4. Specific progress of major asset reorganization and integration during the reporting period

Applicable N/A

Independent director opinions

None

(VI) Sales of Major Assets and Equities

Applicable N/A

(VII) Analysis on Major Holding and Participating Companies

☑ Applicable ☐ N/A

Information on major subsidiaries whose net profit impact exceeds 10% of the Company's net profit

☑ Applicable ☐ N/A

In RMB 10,000

Company Name	Company Type	Main Business	Registered Capital	Total Assets	Net Assets	Operating Revenue	Operating Profit	Net Profit
Shenghui Engineering Technology (Shenzhen) Co., Ltd.	Subsidiary	Domestic cleanroom engineering business	3,529.67	5,352.15	4,458.15	480.39	-453.45	-450.53
Shenzhen Dingmao Trading Co., Ltd.	Subsidiary	Domestic equipment trading	500.00	9,825.33	6,339.81	11,488.89	2,060.53	1,545.40
Acter International Limited	Subsidiary	Overseas investment platform	2,260.03	5,008.74	2,166.60	1,085.62	352.13	294.03
Acter Technology Singapore Pte., Ltd.	Subsidiary	Overseas investment platform	1,726.31	1,642.01	1,633.10		-19.64	-19.64
Sheng Huei Engineering Technology Company Limited	Subsidiary	Overseas cleanroom engineering business	3,827.37	42,561.29	18,487.80	63,799.11	6,896.06	5,442.83
PT Acter Technology Indonesia	Subsidiary		527.73	3,181.80	2,353.30	6,992.75	683.82	522.56
Acter Technology Malaysia Sdn. Bhd	Subsidiary		1,902.84	3,140.01	1,971.19	2,231.61	252.27	188.58

Acter Technology Co., Ltd	Subsidiary		651.90	12,471.47	7,918.56	46,262.79	3,964.96	3,179.34
PT Acter Integration Technology Indonesia	Subsidiary		2,306.90	4,048.21	2,794.92	4,385.74	675.16	536.20

Information on subsidiaries acquired or disposed of during the reporting period

Applicable N/A

Other notes

Applicable N/A

Revenue and profits from the main business of a single subsidiary and with net profits exerting 10% or above impact on the Company's total net profits:

In RMB 10,000

Company Name	Revenue from Main Business	Profit from Main Business
Shenzhen Dingmao Trading Co., Ltd.	11,488.89	2,426.10
Sheng Huei Engineering Technology Company Limited	63,799.11	7,886.71
Acter Technology Co., Ltd	46,262.79	3,656.33

(VIII) Structured Entities Controlled by the Company

Applicable N/A

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

(I) Industry Pattern and Trend

Applicable N/A

Cleanroom engineering is a typical demand-driven industry, serving as core infrastructure for high-end manufacturing sectors including semiconductors, precision manufacturing, and PCBs, with its industrial development deeply integrated with industrial upgrading. Relying on the upgrading of high-end manufacturing, the cleanroom industry boasts broad market space and strong resilience, with high-growth segments such as semiconductors, PCBs, and edge AI serving as the core growth drivers.

The latest report by the World Semiconductor Trade Statistics (WSTS) indicates that the global semiconductor market size is projected to reach USD 772 billion in 2025, representing a YoY increase of 22.5%, a growth rate significantly exceeding earlier expectations. The explosive growth of artificial intelligence applications and the continuous expansion of data center infrastructure are driving up demand for both logic chips and memory chips. Looking ahead to 2026, the global semiconductor market size is expected to surpass USD 975 billion, up 26.3% YoY, approaching the USD 1 trillion mark. A further report from SEMI shows that global semiconductor equipment sales are expected to hit a record high of USD 133 billion in 2025 and are likely to exceed USD 150 billion for the first time in 2027. Driven by sustained computing power demand, the AI chip market is expanding at an accelerated pace. As large models gradually enter large-scale application, consumption of basic resources such as computing power and storage has increased significantly, and the global volume of token calls is growing exponentially. High-end demand for AI servers, optical communications, IC substrates, and various AI application products remains robust.

Against the trend of miniaturization of electronic components, only enterprises with R&D and full-chain service capabilities can gain a foothold in the high-end market. The current cleanroom engineering industry features a pattern of industry concentration among leading players and tiered differentiation. Leveraging its core technologies and EPCO full-chain service capabilities, the Company continues to strengthen its leading position. Amid the restructuring of the global supply chain, industrial clusters have taken shape in Vietnam, Thailand, Malaysia, and other regions, generating massive demand for cleanrooms. The Company has made forward-looking arrangements by establishing subsidiaries in Southeast Asia to deliver localized services, and its overseas business has become a new engine for performance growth.

Future industry competition will focus on comprehensive strengths such as full-life cycle solutions, green energy conservation, and cross-border services, further expanding the advantages of leading enterprises. Cleanrooms are high-energy-consumption systems, and under dual-carbon policies and enterprises' demand for cost reduction, energy conservation, and low carbon emissions have become mandatory requirements. The cleanroom engineering industry takes technology and quality as the core of competition, with energy conservation, digitalization, and globalization as development trends. Relying on its core technologies, full-chain services, and global layout, Acter Group will deepen its presence in the high-end cleanroom engineering sector.

(II) The Company's Development Strategies

Applicable N/A

The Company has always adhered to the development strategy of "multiple clients, multiple industries, multiple trades, and multiple regions. Client-oriented and supported by technological R&D, the Company takes cleanroom engineering services as its core business, focuses on serving high-tech industries, fully implements the concept of green and energy-saving projects, and follows the five-step development path of "production, sales, human resources, R&D, and finance", committing to becoming an internationally leading enterprise in cleanroom system integration engineering services for high-tech industries.

The Company will actively seek high-quality M&A targets, continuously improve its service layout through strategic integration, accurately meet clients' demand for single-point customization and integrated package services, further enrich its product portfolio, enhance the completeness and diversity of its product lines, and continuously build core competitive advantages.

(III) Operation Plan

Applicable N/A

1. Short-term business development plan**(1) Multi-dimensional layout, market exploration**

The Company will continue to follow the strategic direction of “multiple clients, multiple industries, multiple regions, and multiple trades to create a differentiated niche. It will leverage the advantages of its multi-regional market layout, deepen cooperation with existing clients, seize opportunities for downstream clients to invest and expand production in the international market, collaborate with its parent company to secure cleanroom and electromechanical engineering projects for international clients, expand into Southeast Asia and other international markets, and foster a business model of “two-way order receiving and two-way development” featuring “domestic semiconductor capacity upgrading + overseas industrial chain transfer”. It will continue to accumulate client resources in the AI upstream and downstream sectors, the full semiconductor industry chain, data centers, university-industry-research collaboration laboratories, and other fields, and further consolidate its key role in the industrial chain.

(2) Fostering of a famous brand, setting off to a new journey

The Company will continuously improve engineering quality management, refine supply chain construction and expand its professional engineering and technical service team to ensure project construction quality and enhance the Group’s operational efficiency. It will strengthen coordination among pre-sales, in-sales and after-sales services, improve service efficiency and quality, respond to client needs in a timely manner, resolve client issues, and enhance client stickiness and loyalty.

(3) Energy conservation, environmental protection, and sustainable green development

The Company will integrate technological research in green development, emission reduction, and intelligence into its daily operations and project management, gradually increase the application of modularization and standardization, and achieve low-carbon innovation in prefabricated construction. Through the full integration of “green planning, green procurement, and green construction methods” and the application of green engineering technologies, the Company will reduce operating costs, improve economic benefits, minimize environmental impact, and enhance its corporate image and competitiveness.

(4) Industry-university cooperation for talent cultivation

The Company will establish incentive mechanisms to encourage employees to obtain professional qualifications in construction, environmental protection, and other fields, and support on-the-job learning. It will adopt mentorship programs and reserve supervisor training, adhering to the philosophy of “selecting, cultivating, employing, and retaining talents” to develop grassroots cadres and core backbone personnel. Professional management training will be provided to senior talents to enhance their strategic vision and leadership capabilities, building a reserve management team.

2. Long-term business development plan

Focusing on its core business, the Company will optimize and upgrade its engineering and technical capabilities. On the basis of consolidating and maintaining existing clients in the domestic and Southeast Asian markets, it will actively expand new client resources and increase market share. It will formulate differentiated business strategies based on market characteristics and demand in different regions, and establish a comprehensive, efficient, and wide-ranging marketing and service system. Through industrial integration, the Company will optimize resource allocation, enhance its overall strength, and give full play to its core competitive advantages.

The Company will improve its corporate governance mechanism, optimize its organizational structure, strengthen internal management, continuously deepen corporate culture development, foster a positive working atmosphere, and build a cohesive and united team. Adhering to an open and inclusive talent philosophy, it will attract outstanding professionals from various fields, focus on the cultivation and development of its management team, inject new vitality and innovative thinking into the Company, and build a high-quality management team with strategic vision, innovation awareness, and execution capabilities.

The Company will continue to invest in R&D resources, strengthen technological innovation and R&D capabilities, and strive to achieve greater breakthroughs and progress in the field of green energy and environmental protection. By providing advanced green energy and environmental technologies and solutions, the Company will help clients reduce energy consumption and pollutant emissions, contribute to sustainable development, and fulfill its corporate social responsibilities.

(IV) Possible Risks

Applicable N/A

1. Risk of macroeconomic fluctuations

The Company is mainly engaged in cleanroom engineering services for high-tech industries, including IC semiconductors and optoelectronics. The markets of its downstream industries are highly correlated with the macroeconomic cycle. Changes in economic growth rate and macroeconomic fluctuations will directly affect the operation and development of the entire downstream industry, thereby impacting the Company's cleanroom engineering services business. Therefore, slowing economic growth and macroeconomic fluctuations may affect the Company's business development and pose certain risks to its development and operations.

2. Risk of intensified industry competition

After years of development, China's cleanroom engineering industry has grown substantially and entered a stage of steady development. With the influx of various social capital into the cleanroom industry, the number of enterprises in the sector has increased year by year, resulting in fierce market competition. The Company mainly serves the electronics industry segment, with strong competitiveness and certain leading advantages. As one of the few enterprises in the industry capable of undertaking, implementing, and providing full-cycle operation and maintenance services for cross-field and cross-regional projects, the Company ranks among the top players in the industry in terms of operating performance, business capabilities, market brand, and management level, and enjoys certain industry recognition. With the growing number of new market entrants, the Company will face competition from its peers. Therefore, if the Company fails to maintain its advantages in technology, management, brand, craftsmanship, and other aspects, its industry position may be affected to a certain extent.

3. Risk of declining gross profit margin

During the reporting period, the Company's total gross profit showed an overall upward trend, while the gross profit margin of its main business continued to decline. In the future, if the Company fails to maintain its advantages in technology, management, brand, craftsmanship, and other aspects, fails to adapt to changes in market demand, or is affected by intensified market competition and inadequate cost control, it may face the risk of declining gross profit margin.

4. Capital and liquidity risks

In the course of its cleanroom business, there is a certain time lag between the settlement and collection of project payments and the settlement and payment of costs such as raw materials and labor. The recovery of quality deposits after project completion and acceptance also takes a long period, requiring the Company to maintain a certain scale of working capital to ensure normal project execution.

As the Company's business scale continues to expand, the amount of funds advanced by the Company will increase accordingly, leading to growing capital demand. A large number of large-scale concurrent projects may occupy a substantial amount of the Company's working capital within a relatively concentrated period. If the Company fails to obtain timely financial support, it may face tight cash flow, which will affect business development and expose the Company to capital and liquidity risks.

5. Exchange rate risks

The Company primarily operates within Chinese territory. With the continuous development of its overseas business in recent years, the scale of its revenue and expenditure activities in multiple currencies across various overseas countries and regions has kept rising. Fluctuations in the exchange rate of RMB against relevant foreign currencies and currency conversions may affect the Company's operating costs, posing certain risks to the Company's development and operations.

(V) Others

Applicable N/A

VII. Information and Reasons for the Company's Failure to Disclose Information in Accordance with the Guidelines Due to Non-application of the Guidelines or for Special Reasons such as State or Commercial Secrets

Applicable N/A

For the consideration of commercial secrets, the Company is exempted from disclosing the names of some clients and suppliers.

Section IV Corporate Governance, Environment, and Social Responsibility

I. Explanation for Corporate Governance

Applicable N/A

During the reporting period, the Company continuously improved its corporate governance structure, internal management and internal control system and standardized its operation in accordance with the requirements of the *Company Law*, the *Securities Law*, relevant laws and regulations of the Shanghai Stock Exchange and based on its realities. The shareholders' meeting and the board of directors of the Company have clear division of powers and responsibilities, and each of them performs its own duties, and the decision-making is independent, efficient, and transparent. The board of directors of the Company has set up specialized committees such as the Remuneration and Appraisal Committee, the Audit Committee, the Nomination Committee, and the Strategy and Sustainable Development Committee to further improve the corporate governance structure of the Company. Details of the corporate governance of the Company are as follows:

(I) The Company and its controlling shareholders: The controlling shareholders of the Company exercise their rights and obligations in accordance with laws, and effectively fulfill their obligations of good faith to the Company and other shareholders. The Company and its controlling shareholders are completely independent in five aspects, namely, business, assets, personnel, organization, and finance, and the Company has a complete business system and the ability to operate independently in the market.

(II) The shareholders' meeting is the Company's highest authority. The Company strictly standardizes the convening, holding, and deliberation procedures of the shareholders' meeting as per the provisions and requirements of the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, and other regulations; invites lawyers to issue legal opinions on the legality of the shareholders' meeting, ensures the equal status of all shareholders, especially minority shareholders, fully exercises the legitimate rights and interests of shareholders, and ensures shareholders' right to know, participate, and vote on major corporate matters.

(III) The board of directors strictly exercises its powers in accordance with the *Company Law*, the *Articles of Association*, the *Rules of Procedure for the Board of Directors*, etc., including organizing and implementing the resolutions of the shareholders' meeting, deciding on the Company's business plans and investment plans, formulating the Company's annual financial budget, final settlement, and profit distribution plans, drafting major acquisition plans, and appointing or dismissing the Company's general manager and other senior management. All directors faithfully and diligently perform their duties, actively participate in the decision-making of the Company's major matters, and actively attend relevant training. The specialized committees under the board of directors operate well, convene meetings and make resolutions as per relevant systems and could exert their roles normally.

(IV) The Company strictly follows the requirements of the *Information Disclosure Management System* and the *Registration Management System for Insiders*; by implementing measures such as insider registration and external information reporting registration, it strengthens the management of insiders, standardizes the review process for external information reporting, clarifies the obligations and responsibilities of relevant personnel to maintain the confidentiality of undisclosed information, and enhances the Company's awareness of information disclosure, which, as a result, effectively avoids the occurrence of violations in information disclosure. Meanwhile, the Company strengthens communication and interaction with investors, and pays attention to maintaining favorable relations with them.

Whether there is any material difference between corporate governance and the laws, administrative regulations, and CSRC's regulations on the governance of listed companies; if so, state why.

Applicable N/A

II. Specific Measures Taken by the Controlling Shareholders and Actual Controllers of the Company to Ensure the Independence of the Company in Terms of Assets, Personnel, Finances, Organization, and Business, as well as the Solutions, Work Progress, and Follow-up Plans in Case of the Company's Independence Being Affected

Applicable N/A

Controlling shareholders, actual controllers and other parties controlled by them engaged in business that are the same as or similar to the Company, horizontal competition and impact of significant changes in horizontal competition on the Company, solutions adopted, working progress and subsequent solution plans

Applicable N/A

IV. Directors and Senior Management**(I) Changes in Shareholdings and Remuneration of In-service and Outgoing Directors and Senior Management during the Reporting Period**

☑ Applicable ☐ N/A

Name	Post	Gender	Age	Starting Date of Appointment	Expiration Date of Appointment	Shareholdings at the Beginning of the Year	Shareholdings at the End of the Year	Changes of Shares in the Year	Reasons for Change	In Share	
										Total Pre-tax Remuneration Received from the Company during the Reporting Period (RMB 10,000)	Whether Remuneration Received from the Company's Related Parties or Not
Liang Jinli	Chairman	Male	64	July 1, 2019	June 24, 2028	0	0	0	Unchanged	49.53	Yes
Chen Zhihao	Vice Chairman and Board Secretary	Male	60	July 1, 2019	June 24, 2028	0	0	0	Unchanged	105.49	No
	Vice Chairman (Resigned)			July 1, 2019	January 30, 2026						
Zhu Qihua	Director and General Manager	Male	53	July 1, 2019	June 24, 2028	0	0	0	Unchanged	105.31	No
Zhang Jinbao	Director	Male	44	June 24, 2025	June 24, 2028	0	0	0	Unchanged	64.21	No
Liu Qiong	Independent Director	Male	52	June 24, 2025	June 24, 2028	0	0	0	Unchanged	4.42	No
Liu Tiehua	Independent Director	Female	55	June 24, 2025	June 24, 2028	0	0	0	Unchanged	4.42	No

Dong Binghe	Independent Director	Male	60	June 24, 2025	June 24, 2028	0	0	0	Unchanged	4.42	No
Xiao Jingxia	Chief Financial Officer	Female	57	July 1, 2019	June 24, 2028	0	0	0	Unchanged	37.49	No
Su Yuzhou	Director (Resigned)	Male	50	July 1, 2019	June 24, 2025	0	0	0	Unchanged	23.99	No
Wu Weihua	Independent Director (Resigned)	Male	55	July 1, 2019	June 24, 2025	0	0	0	Unchanged	4.00	No
Gu Hailan	Independent Director (Resigned)	Female	54	July 1, 2019	June 24, 2025	0	0	0	Unchanged	4.00	No
Shi Kang	Independent Director (Resigned)	Male	61	July 31, 2020	June 24, 2025	0	0	0	Unchanged	4.00	No
Total	/	/	/	/	/	0	0	0	/	411.28	/

Name	Main Working Experience
Liang Jinli	Born in October 1962, with Chinese nationality of Taiwan, no permanent residence in foreign countries, master's degree of EMBA, senior engineer. He was the Engineering Manager of Gongshan Air Conditioning & Refrigeration Co., Ltd.; the Director and Chairman of the Board of Directors of Sheng Huei Limited; Supervisor of Winmax (Shanghai); and Supervisor of Winmax (Suzhou); Chairman of the Board of Directors of Hengji Construction Company Limited. Currently, he is the CEO and Chairman of Acter (Taiwan); Chairman of HERSUO (Taiwan); Director of Acter (Shenzhen); Director of Acter (Hong Kong); Director of New Point (Seychelles); Director of Sheng Huei International; Chairman of NOVA (Taiwan); Director of Acter (Singapore); Director of Acter (Malaysia); Director of Shenzhen Dingmao; Director and CEO of Enrich (Taiwan); Chairman of Winmega (Taiwan); Director of Winmax (Singapore); Chairman of Winmax Technology; Chairman of Winmax (Shanghai); Managing Partner of Suzhou Songhuei; Director of Sheng Huei (Vietnam); Director of WASTE; Chairman of the Board of Directors of Rayzher Industrial; Director of Acter (Thailand); Director of Indonesia Joint Venture; Director of Winmax (Malaysia); he has been the Chairman of the Board of Directors of Acter Group since July 2019.
Chen Zhihao	Born in May 1966, with Chinese nationality of Taiwan, no permanent residence in foreign countries, bachelor's degree, senior engineer. He was the Deputy General Manager of Wuhan Ronghuei Industry and Trade Co., Ltd; the Deputy General Manager of Guangzhou Danli International Trade Co., Ltd; the Deputy General Manager of Zhongshan Acter Mechanical and Electrical Engineering Co., Ltd.; the Deputy General Manager and General Manager of Acter (Shenzhen); General Manager and Director of ShengHuei Limited; the Director of Acter (Singapore); and the Director of Space (Thailand). He served as Vice Chairman of Acter Group from July 2020 to January 2026. Currently, he is the Director of Acter (Hong Kong); the Chairman of Acter (Shenzhen); the Chairman of Shenzhen Dingmao; the Director of Lantia Innovation Co., Ltd.; the Director of Sheng Huei

	(Vietnam); and the Director of Indonesia Joint Venture; the Director of GREAT SERENE LIMITED; the President of Taiwan Compatriot Investment Enterprises Association of Suzhou; he has been the Chairman and Board Secretary of Acter Group since July 2019.
Zhu Qihua	Born in April 1973, with Chinese nationality of Taiwan, no permanent residence in foreign countries, master's degree in EMBA, mid-level engineer. He was the Assistant Manager of the Engineering Department of Kuang I Engineering Co., Ltd.; the Director of Acter (Taiwan), the Assistant Manager of the Engineering Department of Suzhou HongHuei Mechanical and Electrical Engineering Co., Ltd.; the Director of Malaysia and served as the Assistant Manager, Manager, Associate Manager, Deputy General Manager, General Manager, and Director of Sheng Huei Limited. Currently, he is the Director and General Manager of Acter (Shenzhen); the Director and General Manager of Shenzhen Dingmao; the Supervisor of Sheng Huei (Vietnam); the Director of Acter (Hong Kong); the Director of Acter (Thailand); the Supervisor of Acter (Indonesia); the Supervisor of Indonesia Joint Venture; and the Director of Acter (Singapore); he has been the Director and General Manager of Acter Group since July 2019.
Zhang Jinbao	Born in April 1982, with Chinese nationality, no permanent residence in foreign countries, bachelor's degree. He was the Director, Deputy Manager, Manager, and Associate Manager of Sheng Huei Limited. Has been the Director and Engineering Deputy General Manager of Acter Group since June 2025.
Liu Qiong	Born in January 1974, with Chinese nationality, no permanent residence in foreign countries, master's degree, Public Accountant (Australia), Financial Accountants (UK), Certified Public Accountant (Hong Kong). He was the Deputy Division Chief of Anhui Swan Air-Conditioner Co., Ltd.; the Staff Member of Bengbu New Urban Area Finance Bureau; the General Ledger Accountant of Suzhen Thermal Power Co., Ltd.; the Financial Manager of Lexy Electrical Appliances Co., Ltd.; the Chief Financial Officer of Suzhou Royal Investment Co., Ltd.; the Supervisor of Jiangsu Suzhou Rural Commercial Bank Co., Ltd. Currently, he is the Director, Board Secretary, and Chief Financial Officer of Suzhou Maxwell Technologies Co., Ltd.; the Independent Director of Freewon China Co., Ltd.; the Independent Director of Wuxi Langshion Lightweight Technology Co., Ltd.; the Financial Director of Shanghai Maixinrui Information Technology Co., Ltd.; the Financial Director of Shanghai Shenchenwei Information Technology Co., Ltd.; the Financial Director of Zhuhai Maxwell Development Co., Ltd.; the Financial Director of Xuancheng Maxwell Intelligent Equipment Manufacturing Co., Ltd.; the Financial Director of Shanghai Maidirui Information Technology Co., Ltd.; he has been an Independent Director of Acter Group since June 2025.
Liu Tiehua	Born in July 1971, with Chinese nationality, no permanent residence in foreign countries, master's degree. She was the Staff Member of Shanghai Construction Group; the Director and Regional CEO of Fulagai Consulting (Shanghai) Co., Ltd.; the Technology Transfer Expert Consultant of Shanghai Jiao Tong University Industry Technology Research Institute; the Supervisor of Ningbo Xiaoxiang Huijia Technology Co., Ltd. Currently, she is Executive Director of Best Choice Management Consulting (Shanghai) Co., Ltd.; the Executive Director and General Manager of Ningbo Yinzhou Kuanlun Enterprise Consulting Co., Ltd.; the Supervisor of Ningbo Ailida Technology Co., Ltd.; the Independent Director of Longyoung Electronics (Kunshan) Co., Ltd.; the Supervisor of Ningbo Markda Enterprise Management Consulting Co., Ltd.; the Executive Director of Best Choice Technology Services (Shanghai) Co., Ltd.; she has been an Independent Director of Acter Group since June 2025.
Dong Binghe	Born in August 1966, with Chinese nationality, no permanent residence in foreign countries, doctoral degree. He was the Teaching Assistant, Lecturer, and Associate Professor of the Law Department of Yantai University; the People's Juror of Huqiu District People's Court of Suzhou City; the Part-time Lawyer of Grandall Law Firm (Suzhou); the Independent Director of Suzhou Yunzhong Electronic Technology Co., Ltd. Currently, he is the Professor of Wang Jian Law School of Suzhou University; the Part-time Lawyer of Co-effort Law Firm LLP (Suzhou); the External Director of Suzhou Urban Construction & Investment Development (Group) Co., Ltd.; the Independent Director of Suzhou Fushilai Pharmaceutical Company Limited; he has been an Independent Director of Acter Group since June 2025.

Xiao Jingxia	Born in April 1969, with Chinese nationality of Taiwan, no permanent residence in foreign countries and bachelor's degree. She was the Team Leader of the Audit Department of the First Joint Accounting Firm; the Assistant Manager of the Underwriting Department of Fubon Securities Co., Ltd.; the Financial Manager of Taiwan Green Point Enterprises Co., Ltd.; the Financial Director of Megaforce Company Limited; the Accountant of Shen Chuan Paper (Suzhou) Co., Ltd.; the Finance Manager of Sheng Hwei Limited; and the Supervisor of Suzhou Yumanchang Food Technology Co., Ltd. She has been the Chief Financial Officer of Acter Group since July 2019.
Su Yuzhou (resigned)	Born in May 1976, with Chinese nationality of Taiwan, no permanent residence in foreign countries, bachelor's degree, senior engineer. He was an engineer at Acter (Taiwan); the Manager of the Engineering Department of Sheng Hwei Limited; the Director of Space (Thailand); and the Director of Acter Group. Currently, he is the Managing Partner of Suzhou Shengzhan and the Manager of the Engineering Department of Acter Group.
Shi Kang (resigned)	Born on August 15, 1965, with Chinese nationality, no permanent residence in foreign countries, bachelor's degree. He was the Secretary of the Youth League Committee and President of the Youth League School of the School of Computer and Information Engineering of Jiangsu University; President of the Youth League School of Jiangsu University Youth League Committee; the Lecturer of the Specialized Vehicle Teaching and Research Department of the School of Automotive Engineering in Jiangsu University; the Assistant General Manager of Jiangsu University Industrial Corporation; the Professional Lecturer of the Automobile Teaching Department of the School of Automobile Engineering in Jiangsu University; the Director of Office of the School of Business Administration in Jiangsu University; the Deputy Secretary of the Party Committee and Vice Dean of the College of Finance and Economics in Jiangsu University; the Vice President and Deputy Secretary of Jiangsu University Press and Magazines; the Deputy Director of the Labor Union of Jiangsu University; the President, General Manager, and Executive Director of Jiangsu University Press Co., Ltd.; and the Director of Jiangsu University Asset Management Co., Ltd. Currently, he is a Grade 5 staff member of the Logistics Department (Logistics Group) of Jiangsu University; he was an Independent Director of Acter Group from July 2020 to June 2025.
Wu Weihua (resigned)	Born in November 1971, with Chinese nationality, no permanent residence in foreign countries, master's degree, holding the practicing qualification of lawyer in China. He was a practicing lawyer of Suzhou Foreign Law Firm, a practicing lawyer of H&Z Group Law Firm, a practicing lawyer of Suzhou Renhai Fangzhou Law Firm, a Director of the Finance and Insurance Committee of the Suzhou Lawyers Association, a member of the Suzhou Hi-Tech District Government Lawyers' Advisory Group, and a Standing Director of the Bankruptcy Law Research Association of Jiangsu Law Society. Currently, he is a lecturer of Suzhou University of Science and Technology; a practicing lawyer of Jiangsu Lantern Law Firm; the Deputy Secretary-General of the Small and Medium-sized Enterprises Committee of Jiangsu Federation of Industry and Commerce; the Vice President of Suzhou Bankruptcy Administrators' Association; a Director of Suzhou Lawyers' Association; he was an Independent Director of Acter Group from July 2019 to June, 2025.
Gu Hailan (resigned)	Born in October 1972, with Chinese nationality, no permanent residence in foreign countries, master's degree in MBA, Chinese certified public accountant. She was the Financial Manager of Kunshan Huaheng Welding Equipment Technology Co., Ltd; the Financial and Administrative Manager of Hangzhou Zhixing Automobile Co. Ltd. and Hangzhou Dongxingxing Auto Repair Co., Ltd.; the Chief Financial Officer of Kunshan Huaheng Welding Equipment Co., Ltd.; Chief Financial Officer, Deputy General Manager and Chief Financial Officer, Deputy General Manager and Board Secretary of Shanghai Qinsen Landscape Co., Ltd.; the Board Secretary and Chief Financial Officer of Origincell Technology Group Ltd.; and the Independent Director of Acter Group. Currently, she is the Board Secretary and Chief Financial Officer of Jiaying Hechang Elevator Control Technology Co., Ltd.; she was an Independent Director of Acter Group from July 2019 to June 2025.

Other information

Applicable N/A

(II) Occupation of In-service and Outgoing Directors and Senior Management during the Reporting Period**1. Post in shareholder's site**

☑ Applicable ☐ N/A

Name of the Staff	Name of Shareholder	Position Held in the Shareholder's Site	Starting Date of Appointment	Expiration Date of Appointment
Liang Jinli	Acter (Taiwan)	CEO and Chairman of the Board	August 1993	
Liang Jinli	Sheng Hwei International	Director	May 2008	
Liang Jinli	Suzhou Songhuei	Managing Partner	April 2018	
Su Yuzhou	Suzhou Shengzhan	Managing Partner	April 2018	
Explanation for the post in shareholder's site	None			

2. Post in other organizations

☑ Applicable ☐ N/A

Name of the Staff	Name of Other Organizations	Post Held in Other Organizations	Starting Date of Appointment	Expiration Date of Appointment
Liang Jinli	New Point (Seychelles)	Director	March 2008	
	Enrich (Taiwan)	Director and CEO	June 2014	
	HER SUO (Taiwan)	Chairman	April 1998	
	NOVA (Taiwan)	Chairman	March 2009	
	Winmega (Taiwan)	Chairman	July 2014	
	Winmax (Singapore)	Director	June 2016	
	Winmax (Shanghai)	Chairman	May 2023	
	Winmax Technology	Chairman	May 2023	
	Rayzher Industrial	Chairman	June 2021	
	WASTE	Director	October 2019	
	Acter (Singapore)	Director	November 2009	
	Acter (Malaysia)	Director	December 2011	
	Acter (Shenzhen)	Director	June 2005	
	Shenzhen Dingmao	Director	October 2012	
	Acter (Thailand)	Director	September 2019	
	Acter (Hong Kong)	Director	November 2007	
	Acter (Vietnam)	Director	September 2018	
	Indonesia Joint Venture	Director	April 2023	
Winmax (Malaysia)	Director	November 2024		
Chen Zhihao	Acter (Shenzhen)	Chairman	October 2009	
	Shenzhen Dingmao	Chairman	October 2012	
	Acter (Hong Kong)	Director	November 2007	
	Acter (Vietnam)	Director	July 2019	
	Acter (Singapore)	Director	October 2018	September 2025

	Space (Thailand)	Director	October 2019	March 2025
	Lantia Innovation Co., Ltd.	Director	September 2015	
	Indonesia Joint Venture	Director	April 2023	
	GREAT SERENE LIMITED	Director	September 2024	
	Taiwan Compatriot Investment Enterprises Association of Suzhou	President	September 2024	
Zhu Qihua	Acter (Shenzhen)	Director and General Manager	January 2018	
	Shenzhen Dingmao	Director and General Manager	January 2018	
	Acter (Vietnam)	Supervisor	December 2018	
	Acter (Hong Kong)	Director	July 2019	
	Acter (Malaysia)	Director	September 2019	January 2025
	Acter (Thailand)	Director	September 2019	
	Acter (Indonesia)	Supervisor	January 2023	
	Indonesia Joint Venture	Supervisor	April 2023	
	Acter (Singapore)	Director	September 2025	
Liu Qiong	Suzhou Maxwell Technologies Co., Ltd.	Director, Board Secretary and Chief Financial Officer	April 2020	
	Jiangsu Suzhou Rural Commercial Bank Co., Ltd.	Supervisor	September 2020	August 2025
	Wuxi Langshion Lightweight Technology Co., Ltd.	Independent Director	December 2021	
	Freewon China Co., Ltd.	Independent Director	July 2022	
	Hainan Maxwell Technology Co., Ltd.	Financial Director	January 2022	
	Shanghai Maixinrui Information Technology Co., Ltd.	Financial Director	January 2023	
	Shanghai Shenchenwei Information Technology Co., Ltd.	Financial Director	January 2023	
	Zhuhai Maxwell Development Co., Ltd.	Financial Director	June 2023	
	Xuancheng Maxwell Intelligent Equipment Manufacturing Co., Ltd.	Financial Director	December 2024	
	Shanghai Maidirui Information Technology Co., Ltd.	Financial Director	September 2025	
Liu Tiehua	Best Choice Management Consulting (Shanghai) Co., Ltd.	Executive Director	September 2015	
	Ningbo Yinzhou	Executive Director	March 2016	

	Kuanlun Enterprise Consulting Co., Ltd.	and General Manager		
	Ningbo Ailida Technology Co., Ltd.	Supervisor	May 2016	
	Ningbo Xiaoxiang Huijia Technology Co., Ltd.	Supervisor	December 2019	November 2025
	Longyoung Electronics (Kunshan) Co., Ltd.	Independent Director	December 2020	
	Ningbo Markda Enterprise Management Consulting Co., Ltd.	Supervisor	January 2022	
	Best Choice Technology Services (Shanghai) Co., Ltd.	Executive Director	June 2022	
Dong Binghe	Wang Jian Law School of Suzhou University	Professor	July 1999	
	Suzhou Urban Construction & Investment Development (Group) Co., Ltd.	External Director	September 2021	
	Co-effort Law Firm LLP (Suzhou)	Part-time Lawyer	April 2025	
	Suzhou Fushilai Pharmaceutical Company Limited	Independent Director	March 2025	
	Grandall Law Firm (Suzhou)	Part-time Lawyer	March 2019	March 2025
	Suzhou Yunzhong Electronic Technology Co., Ltd.	Independent Director	December 2019	December 2025
Su Yuzhou	Space (Thailand)	Director	October 2019	March 2025
Gu Hailan	Jiaxing Hechang Elevator Control Technology Co., Ltd.	Board Secretary and Chief Financial Officer	November 2022	
Shi Kang	Logistics Department (Logistics Group) of Jiangsu University	Grade 5 staff member	January 2024	
Wu Weihua	Suzhou University of Science and Technology	Lecturer	July 1993	
	Jiangsu Lantern Law Firm	Practicing lawyer	December 2004	
	Small and Medium-sized Enterprises Committee of Jiangsu Federation of Industry and Commerce	Deputy Secretary-General	October 2018	
	Suzhou Bankruptcy Administrators' Association	Vice President	June 2019	
	Suzhou Lawyers' Association	Director	February 2016	
Explanation for the post in other organizations	None			

(III) Remuneration of Directors and Senior Management

Applicable N/A

Decision-making procedure for the remuneration of directors and senior management	With reference to the remuneration level of the Company's industry and the region, and taking into account the Company's actual operating conditions and job responsibilities, the Company shall draw up a plan and implement it after approval by the board of directors and shareholders' meeting through consideration. Among them, the remuneration of directors shall be decided by the shareholders' meeting, and that of senior management shall be decided by the board of directors.
Whether a director recuses himself/herself from the discussion on his/her own remuneration by the board of directors or not	Yes
Details of the recommendations made by the Remuneration and Appraisal Committee or the special meeting of independent directors in respect of the remuneration of directors and senior management	On March 28, 2025, the Remuneration and Appraisal Committee approved the <i>Proposal on the Remuneration Plan for Senior Management for the Year 2025</i> through consideration. The Remuneration and Appraisal Committee of the Board of Directors put forward proposals in respect of the Proposal, holding that the remuneration plan for the Company's senior management is in line with the remuneration level of the industry in which the Company operates and the actual operating conditions of the Company, the payment of remuneration complies with the Company's remuneration policies and appraisal standards, and there is no circumstance impairing the interests of the Company and its shareholders.
Basis for determining the remuneration of directors and senior management	Except for the allowance for the Company's independent directors, the remuneration of directors and senior management who are in receipt of remuneration from the Company shall be determined on the basis of the Company's overall remuneration policy, salary standards, the specific executive positions held by them in the Company, their work performance as well as the actual circumstances of the fulfillment of the Company's annual business plan.
Actual payment of remuneration to directors and senior management	The actual payment of the remuneration of directors and senior management was made on time in accordance with the relevant provisions mentioned above, and the remuneration data are true and accurate.
Total actual remuneration received by all directors and senior management as of the end of the reporting period	RMB 4.1128 million
Appraisal basis and completion status in respect of remuneration actually received by all directors and senior management as of the end of the reporting period	In 2025, the allowances received by independent directors were subject to no performance appraisal; non-independent directors and senior management of the Company received corresponding remuneration in accordance with the Company's performance appraisal provisions. The performance appraisal has been effectively implemented and completed in accordance with the Company's performance appraisal provisions.
Deferred payment arrangements for remuneration actually received by all directors and senior management as of the end of the reporting period	N/A
Stop-payment and recovery arrangements for remuneration actually received by all directors and senior management as of the end of	N/A

the reporting period

(IV) Changes in the Company's Directors and Senior Management Applicable N/A

Name	Position Held	Change	Reason for Change
Zhang Jinbao	Employee Representative Director	Election	Job transfer
Liu Qiong	Independent Director	Election	Re-election
Liu Tiehua	Independent Director	Election	Re-election
Dong Binghe	Independent Director	Election	Re-election
Su Yuzhou	Director	Resignation	Re-election
Gu Hailan	Independent Director	Resignation	Re-election
Shi Kang	Independent Director	Resignation	Re-election
Wu Weihua	Independent Director	Resignation	Re-election

1. The Company convened a meeting of employee representatives on May 29, 2025. Upon election and approval at the meeting, Mr. Zhang Jinbao was unanimously appointed as the employee representative director of the Company, with a term consistent with that of the third board of directors of the Company. For details, please refer to the *Announcement on the Election of Employee Representative Director for the 3rd Board of Directors of Acter Group (2025-030)* disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on May 30, 2025.

2. The Company held the 1st extraordinary general meeting of 2025 on June 24, 2025, which reviewed and approved the *Proposal on the Re-election of the Board of Directors and Nomination of Candidates for Non-independent Directors of the 3rd Board of Directors* and the *Proposal on the Re-election of the Board of Directors and Nomination of Candidates for Independent Directors of the 3rd Board of Directors*. Su Yuzhou, a director of the 2nd Board of Directors, and Gu Hailan, Wu Weihua, and Shi Kang, independent directors of the 2nd Board of Directors, resigned from their positions as directors. For details, please refer to the *Announcement on the Completion of Re-election of the Board of Directors and Appointment of Senior Management and Securities Affairs Representative of Acter Group (2025-036)* and the *Announcement on the Resolutions of the First Extraordinary General Meeting of 2025 of Shenghui Integration (2025-035)* disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 25, 2025.

(V) Explanation for Penalties Imposed by Securities Regulators over the Past Three Years Applicable N/A**(VI) Others** Applicable N/A**IV. Fulfillment of Duties by Directors****(I) Directors' Attendance at Board Meeting and Shareholders' Meeting**

Director's	Independent Director or Not	Attending of Board Meeting						Attending of Shareholders' Meeting
		Required Times of Attending the Board Meeting in the Year	Times of Attending in Person	Times of Attending by Telecommunication	Times of Attending by Proxy	Absences Times	Whether There Have Been Two Consecutive Failures to Attend in Person	Number of Attending of Shareholders' Meeting
Liang Jinli	No	6	6	2	0	0	No	3
Chen	No	6	6	4	30	0	No	3

Zhihao								
Zhu Qihua	No	6	6	1	0	0	No	3
Zhang Jinbao	No	3	3	0	0	0	No	1
Liu Qiong	Yes	3	3	0	0	0	No	1
Liu Tiehua	Yes	3	3	0	0	0	No	1
Dong Binghe	Yes	3	3	0	0	0	No	1
Su Yuzhou	No	3	3	3	0	0	No	2
Shi Kang	Yes	3	3	2	0	0	No	2
Wu Weihua	Yes	3	3	3	0	0	No	2
Gu Hailan	Yes	3	3	3	0	0	No	2

Explanation for two consecutive failures to attend in person

Applicable N/A

Times of board meeting during the year	6
Including: Times of on-site meetings	1
Times of meetings held via telecommunication	0
Times of meetings held on site and via communication	5

(II) Objections Raised by Directors to Matters Relating to the Company

Applicable N/A

(III) Others

Applicable N/A

V. Specialized Committees under the Board of Directors

Applicable N/A

(I) Membership of Specialized Committees under the Board of Directors

Category of Specialized Committees	Members
Audit Committee	3rd Session: Liang Jinli, Liu Qiong, Liu Tiehua 2nd Session: Liang Jinli, Gu Hailan, Wu Weihua
Nomination Committee	3rd Session: Liang Jinli, Liu Tiehua, Dong Binghe 2nd Session: Liang Jinli, Wu Weihua, Shi Kang
Remuneration and Appraisal Committee	3rd Session: Liang Jinli, Dong Binghe, Liu Qiong 2nd Session: Liang Jinli, Shi Kang, Gu Hailan
Strategy and Sustainable Development Committee	Liang Jinli, Chen Zhihao, Zhu Qihua

(II) The Audit Committee Held 5 Meetings during the Reporting Period

Date of Meeting	Contents of Meetings	Important Opinions and Recommen	Other Fulfillment of Duties
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		dations	
March 28, 2025	<ol style="list-style-type: none"> 1. Proposal on the Internal Control Evaluation Report for the Year 2024; 2. Proposal on the Internal Control System Declaration for the Year 2024; 3. Proposal on the Report of the Company's Post Performance Evaluation on Accounting Firm in 2024; 4. Proposal on the Report of the Audit Committee of the Board of Directors on the Supervision of the Performance of Duties by the Accounting Firm for the Year 2024; 5. Proposal on the Report on the Performance of the Audit Committee of the Board of Directors for the Year 2024; 6. Proposal on the Full Text and Summary of the Annual Report for the Year 2024; 7. Proposal on the Financial Settlement Report for the Year 2024; 8. Proposal on the Financial Budget Report for the Year 2025; 9. Proposal on the Confirmation of Routine Related Transactions for the Year 2024 and the Expected Routine Related Transactions for the Year 2025; 10. Proposal on the Total Estimated Guarantee for the Year 2025; 11. Proposal on the Application for Comprehensive Credit Limit from Financial Institutions for the Year 2025; 12. Proposal on the Special Report on the Deposit and Actual Use of Funds Raised by the Company in 2024; 13. Proposal on Using Some Idle Own Funds for Cash Management; 14. Proposal on the Profit Distribution Plan for the Year 2024; 15. Proposal on the Reappointment of the Accounting Firm; 16. Proposal on Seeking the Board's Approval for Relevant Matters; 17. Proposal on Confirming that Overdue Accounts Receivable Exceeding Normal Credit for 3 Months Are Not Included in Fund Lending; 18. Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Determine the 2025 Interim Dividend Plan; 	Passed after consideration	None
April 25, 2025	Proposal on the Q1 Report for 2025;	Passed after consideration	None
June 24, 2025	Proposal on the Appointment of the Chief Financial Officer of the Company;	Passed after consideration	None
August 7, 2025	<ol style="list-style-type: none"> 1. Proposal on the Full Text and Summary of the Semi-Annual Report for the Year 2025; 2. Proposal on the Special Semi-Annual Report on the Deposit and Actual Use of Funds Raised by the Company in 2025; 3. Proposal on the Profit Distribution Plan for the First Half of the Year 2025; 4. Proposal on the Application for Comprehensive Credit Limit from Huaxia Bank Co., Ltd. Suzhou Branch by the Company; 	Passed after consideration	None

October 17, 2025	1. <i>Proposal on the Q3 Report for 2025;</i> 2. <i>Proposal on the Postponement of Some Raised Investment Projects;</i> 3. <i>Proposal on Using Some Idle Raised Funds for Cash Management;</i>	Passed after consideration	None
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(III) The Nomination Committee Held 2 Meetings during the Reporting Period

Date of Meeting	Contents of Meetings	Important Opinions and Recommendations	Other Fulfillment of Duties
May 23, 2025	1. <i>Proposal on the Re-election of the Board of Directors and Nomination of Candidates for Non-independent Directors of the 3rd Board of Directors</i> 2. <i>Proposal on the Re-election of the Board of Directors and Nomination of Candidates for Independent Directors of the 3rd Board of Directors</i>	Passed after consideration	None
June 24, 2025	<i>Proposal on the Appointment of Senior Management of the Company</i>	Passed after consideration	None

(IV) The Remuneration and Appraisal Committee Held 1 Meeting during the Reporting Period

Date of Meeting	Contents of Meetings	Important Opinions and Recommendations	Other Fulfillment of Duties
March 28, 2025	<i>Proposal on the Remuneration Plan for Senior Management for the Year 2025;</i>	Passed after consideration	None
June 3, 2025	<i>Proposal on the Remuneration of Directors of the 3rd Board of Directors;</i>	Passed after consideration	None
October 17, 2025	<i>Proposal on the Distribution of Mid-Year Performance Bonuses to Senior Management of the Company for the Year 2025;</i>	Passed after consideration	None

(V) The Strategy and Sustainable Development Committee Held 1 Meeting during the Reporting Period

Date of Meeting	Contents of Meetings	Important Opinions and Recommendations	Other Fulfillment of Duties
March 28, 2025	<i>Proposal on the Company's Sustainable Development Report for the Year 2024;</i>	Passed after consideration	None

(VI) Details of Disagreements

Applicable N/A

VI. Explanation for the Company's Risks Discovered by the Audit Committee

Applicable N/A

The Audit Committee had no disagreement on the supervised matters during the reporting period.

VII. Employees of the Parent Company and Major Subsidiaries during the Reporting Period**(I) Employees**

Number of in-service employees of the parent company	487
Number of in-service employees of major	275

subsidiaries	
Total of in-service employees	762
Number of retired employees subject to expenses of parent company and major subsidiaries	2
Specialty Composition	
Category of Specialty Composition	Number of Employees of Specialty Composition
Production staff	0
Sales staff	4
Technical staff	642
Financial staff	32
Administrative staff	84
Total	762
Educational Background	
Category of Educational Background	Number (person)
Master's degree	14
Bachelor's degree	436
College	259
Below	53
Total	762

(II) Remuneration Policy

Applicable N/A

The company adheres to the principle of “efficiency first, considering fairness”, formulates management systems such as the *Employee Remuneration Management Measures*, *Employee Performance Assessment Management Measures*, and *Employee Rewards and Punishments Measures*, and constructs a standardized and scientific remuneration management system. It links employee remuneration with job value, performance appraisal, and personal value, ensures the reasonable growth of employees' income, and rewards employees with outstanding performance.

(III) Training plan

Applicable N/A

Upholding the idea that “talents drive company development”, the Company regards the improvement of employees' capacity as the core for strategy implementation. During the reporting period, the Company built a hierarchical and systematic training system by following the idea of “strategic adaptation, ability progress, and innovation leadership”, and highlighted four fields, including digital transformation, technical tackling, improvement of management efficiency, and sustainable development, in order to facilitate employee growth and improvement of organization efficiency.

Reserve of strategic talents: As for the layout of emerging businesses (such as AI and the green and low-carbon field), the Company opened a special technical research class, built an industry-university-research training platform in partnership with colleges and universities, and an industrial think tank, and intensified the reserve of cutting-edge technologies;

Popularization of digitalization ability: Promote the application of digitalization and intelligence technology, intensify the involvement rate of technicians in digitalization skill training;

Leadership progress plan: Offer special trainings on strategy decision-making, cross-cultural collaboration, and ESG governance for the medium and high-level managers, to improve the organization toughness;

Compliance and risk management: Deepen the education on compliance awareness of all staff, intensify the required courses such as industrial regulatory policies, anti-spam mechanism and information security, and consolidate the risk control bottom line.

(IV) Labor Outsourcing

Applicable N/A

Total working hours of labor outsourcing	18,960 hours
Total of reward paid for labor outsourcing (RMB)	39.12

10,000)

VIII. Proposed Profit Distribution or Capitalization of Capital Reserves**(I) Formulation, Implementation or Adjustment of Cash Dividend Policy** Applicable N/A

1. Interim dividend distribution

In accordance with the CSRC's *Notice on Further Implementation of Matters Relating to Cash Dividends for Listed Companies*, the *Supervisory Guideline for Listed Companies No. 3 - Cash Dividends for Listed Companies*, etc., the Company has formulated the cash dividend policy; specified the decision-making procedures and mechanisms relating to profit distribution matters clearly in the Company's *Articles of Association*. The Company held the 2nd Meeting of the 3rd Board of Directors on August 7, 2025, which reviewed and adopted the *Proposal on the Profit Distribution Plan for the First Half of the Year 2025*. The profit distribution plan for the first half of 2025 is as follows: on the basis of the total share capital registered on the record date for equity distribution, a cash dividend of RMB 1.5 per 10 shares (tax-inclusive) will be distributed to all shareholders. The interim dividend distribution was completed on September 5, 2025, with a total distribution amount of RMB 15,000,000 (tax-inclusive).

2. Annual dividend distribution

The Company held the 5th Meeting of the 3rd Board of Directors on March 27, 2026, which reviewed and adopted the *Proposal on the Profit Distribution Plan for the Year 2025*. The proposed profit distribution plan for 2025 is as follows: It is proposed to distribute a cash dividend of RMB 6.5 per 10 shares (tax-inclusive) to all shareholders on the basis of the total share capital registered on the record date for equity distribution. As of December 31, 2025, the total share capital of the Company was 100,000,000 shares, and based on this, the total proposed cash dividend to be distributed amounted to RMB 65,000,000 (tax-inclusive). The profit distribution proposal is subject to review and approval at the annual general meeting of 2025.

In summary, the total estimated cash dividend to be distributed by the Company for 2025 is RMB 80,000,000 (tax-inclusive), accounting for 51.76% of the net profit attributable to shareholders of listed companies for 2025.

During the reporting period, the Company did not adjust or change its profit distribution policy.

(II) Special Explanation for Cash Dividend Policy Applicable N/A

Compliance with the Company's <i>Articles of Association</i> or the resolutions of the shareholders' meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the criteria and proportion of dividend distribution are clear and unambiguous	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors have performed their duties and played their due role	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether small and medium-sized shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests are adequately protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) If the Company Made Profits and the Parent Company Had Positive Profit Available for Distribution to Shareholders but Has not Put Forward a Proposal for a Cash Profit Distribution Plan during the Reporting Period, the Company Shall Disclose in Detail the Reasons as well as the Use of the Undistributed Profit and the Plan for its Utilization

Applicable N/A

(IV) Proposals for Profit Distribution and Capitalization of Capital Reserve for the Reporting Period

Applicable N/A

In RMB Yuan

Number of bonus shares per 10 shares (share)	
Dividend per 10 shares (RMB Yuan) (tax-inclusive)	8.00
Dividend per 10 shares (share)	
Cash dividend amount (tax-inclusive)	80,000,000.00
Net profit attributable to the listed company's common shareholders in the consolidated statement	154,546,143.11
Proportion of cash bonus amount in the net profits attributable to the listing company's common stockholders in the consolidated statements (%)	51.76
Amount of shares repurchased for cash included in cash dividends	
Total amount of dividends (tax-inclusive)	80,000,000.00
Ratio of total dividend amount to net profit attributable to the listed company's common shareholders in the consolidated statement (%)	51.76

Note: The cash dividend amount in the above table includes the interim dividend amount of the Company for 2025.

(V) Cash Bonus over the Past Three Accounting Years

Applicable N/A

In RMB Yuan

Cumulative amount of cash bonus over the past 3 accounting years (tax-inclusive) (1)	235,000,000.00
Amount cumulatively repurchased and cancelled over the past 3 accounting years (2)	0.00
Amount of cash bonus and amount cumulatively repurchased and cancelled over the past 3 accounting years (3)=(1)+(2)	235,000,000.00
Annual average net profits over the past 3 accounting years (4)	135,846,310.63
Proportion of cash bonus over the past 3 accounting years (%) (5)=(3)/(4)	172.99
Net profits attributable to listed company's common shareholders in the consolidated statements of the latest accounting year	154,546,143.11
Undistributed profits at the end of the parent company's statement year in the latest accounting year	158,264,272.37

IX. Status of the Company's Share Incentive Scheme, Employee Shareholding Plan, or Other Employee Incentives and Their Impacts

(I) Where the Relevant Incentive Matters Have Been Disclosed in the Interim Announcement and There Is no Progress or Change in Subsequent Implementation

Applicable N/A

(II) Incentives Not Disclosed in the Interim Announcement or With Subsequent Progress

Equity incentives

Applicable N/A

Other notes:

Applicable N/A

Employee Stock Ownership Plan

Applicable N/A

Other incentives

Applicable N/A

(III) Share Incentives Granted to Directors and Senior Management during the Reporting Period

Applicable N/A

(IV) Evaluation Mechanism for Senior Management and Establishment and Implementation of Incentive Mechanism during the Reporting Period

Applicable N/A

The Company has established a performance evaluation system for all staff. The employee remuneration consists of a fixed salary, a performance bonus, and a long-term incentive salary. The fixed salary is determined based on the post value and market level and can safeguard employees' basic rights and interests; the performance bonus, which is linked with the Company's overall performance and personal performance, reflects the employees' short-term contribution and value creation; the long-term incentive salary is paid to the core management and key technicians with a view to promoting the long-term consistency of employees' and shareholders' interests.

X. Construction and Implementation of Internal Control System during the Reporting Period

Applicable N/A

The Company attaches great importance to the establishment and implementation of internal control systems. Under the Basic Standards for Enterprise Internal Control and its supporting guidelines, the Company has established an internal control system compatible with its development strategy, business scale, and operational complexity. During the reporting period, the Company continuously optimized its internal control system, updated and improved internal control rules, established an internal control organizational structure and risk management mechanism, which were effectively implemented in practice. The Audit Committee of the Board of Directors performs its oversight responsibilities by supervising the establishment and implementation of internal control systems by the Board of Directors. The management performs the functions of planning, organization, and control, and is responsible for the daily operation of the enterprise's internal control. This reasonably ensures the truthfulness and fairness of financial statements, enables the sound operation and higher operational efficiency of the Company's various business activities, ensures the implementation of relevant national laws, regulations, and the Company's internal rules and regulations, and safeguards the safety and integrity of the Company's assets.

For the evaluation of the Company's internal control, please refer to the *Internal Control Evaluation Report for the Year 2025* disclosed by the Company on March 28, 2026 on the website of Shanghai Stock Exchange (www.sse.com.cn).

Explanation for the existence of significant deficiencies in internal control during the reporting period

Applicable N/A

XI. Management Control over Subsidiaries during the Reporting Period

Applicable N/A

During the reporting period, the Company strictly complied with the *Subsidiary Management System*, further strengthened the management of its subsidiaries, and established an effective control mechanism. Based on the internal control system covering the internal environment, risk assessment, control activities, information and communication, and internal supervision, the Company exercised effective management and control over the group headquarters and its subsidiaries. The subsidiaries have established effective governance structure, rules of procedure, decision-making procedures, financial control system, and risk management framework. Through control over key areas including fund management, overseas investment management, derivative commodity transaction management, external guarantee management, internal control management, procurement management, financial management, contract management, connected transaction management, and information disclosure management, the Company further improved its operation and management level and risk prevention capability. No internal control deficiencies were identified during the reporting period.

Risk alert regarding abnormalities in the management and control over subsidiaries

Applicable N/A

XII. Explanation for the Relevant Information of the Internal Control Audit Report

Applicable N/A

The Company has hired ShineWing Certified Public Accountants LLP for independently auditing the internal control of the Company and issued a standard unqualified opinion. Details of the internal control audit report can be found in the *Internal Control Audit Report of Acter Technology Integration Group Co., Ltd. for the Year 2025* disclosed by the Company on March 28, 2026 on the website of the Shanghai Stock Exchange (www.sse.com.cn).

Whether to disclose the internal control audit report: Yes

Type of opinion of the internal control audit report: Standard unqualified opinion

Whether a qualified internal control audit opinion was issued in the reporting period or the prior year

Yes No

XIII. Self-Inspection and Rectification of Issues in the Special Action on the Governance of Listed Companies

The Company has established a sound board of directors and general meeting of shareholders system. The board of directors has established the Strategy and Sustainable Development Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. The Company strengthens corporate governance and optimizes decision-making procedures by incorporating professional opinions from independent directors. During the reporting period, in accordance with the latest provisions of the *Company Law of the People's Republic of China* and the *Transitional Arrangements for the Implementation of Supporting Rules of the New Company Law* issued by the CSRC, the Company revised the *Detailed Working Rules of the Audit Committee (Revised in 2025)*, giving full play to the oversight role of the Audit Committee in pre-audit and professional audit, deepening the scientific governance structure, ensuring the scientificity and effectiveness of the Company's various decisions, and effectively safeguarding the interests of the Company and investors.

Through a special self-inspection on corporate governance, the Company's various institutional development and implementation, organization operation and decision-making, internal control standard system development, information disclosure mechanism, and other aspects are operating in a standardized and sound manner, and no problems requiring rectification have been identified.

XIV. Environmental Information of Listed Companies Included in the List of Enterprises Required to Disclose Environmental Information in Accordance with the Law and Their Principal Subsidiaries

Applicable N/A

Other notes

Applicable N/A

XV. Social Responsibility Performance**(I) Whether a Separate Social Responsibility Report, Sustainable Development Report, or ESG Report is Disclosed** Applicable N/A

For details, please refer to the *2025 Sustainable Development Report of Acter Technology Integration Group Co., Ltd.* disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) on March 28, 2026 by the Company.

(II) Details of Corporate Social Responsibility Work Applicable N/A

External Donations and Public Welfare Item	Number/Content	Remarks
Total input (RMB 10,000)	21.70	
Including: of which: funds (RMB 10,000)	21.70	
Material discount (RMB 10,000)	-	
Number of persons benefited (person)	-	

Details

 Applicable N/A**XVI. Consolidate and Expand the Results of Poverty Alleviation, Rural Revitalization, etc.** Applicable N/A

Details

 Applicable N/A**XVII. Others** Applicable N/A

Section V Milestone Events

I. Fulfillment of Commitments

(I) Commitments Made by the Company's Actual Controllers, Shareholders, Connected Parties, Acquirers, and Other Parties Related to the Company's Commitments during the Reporting Period or Continuing into the Reporting Period

Applicable N/A

Background of Commitments	Type of Commitment	Committed By	Commitment Content	Date of Commitment	Deadline for Fulfillment Set or Not	Commitment Period	Timely and Strict Compliance	If Not Fulfilled in Time, Please State Why	If Not Fulfilled in Time, Next Steps Shall Be Indicated
Commitments relating to the IPO	Restriction on sale of shares	Sheng Huei International, Acter (Taiwan)	Note 1	June 22, 2021	Yes	October 13, 2022 to October 12, 2025	Yes	N/A	N/A
	Restriction on sale of shares	Suzhou Songhuei, Suzhou Shengzhan	Note 2	June 22, 2021	Yes	October 13, 2022 to October 12, 2023	Yes	N/A	N/A
	Restriction on Sale of Shares	Liang Jinli, Chen Zhihao, Zhu Qihua, Su Yuzhou, Huang Yaping, Liao Chongyou, Wang Yu, and Xiao Jingxia	Note 3	June 22, 2021	Yes	October 13, 2022 to October 12, 2023	Yes	N/A	N/A
Commitments relating to the IPO	Resolution of horizontal competition	Sheng Huei International, Acter (Taiwan)	Note 4	June 22, 2021	No	Long-term	Yes	N/A	N/A
Commitments relating to the IPO	Others	Acter Group, Sheng Huei International, Acter (Taiwan), directors and senior	Note 5	June 22, 2021	No	Long-term	Yes	N/A	N/A

		management of the Company							
Commitments relating to the IPO	Others	Acter Group, Sheng Huei International, Acter (Taiwan), directors (excluding independent directors) and senior management	Note 6	June 22, 2021	Yes	October 13, 2022 to October 12, 2025	Yes	N/A	N/A
Commitments relating to the IPO	Others	Acter Group, Sheng Huei International, Acter (Taiwan), directors, supervisors, senior management, Suzhou SongHuei, Suzhou Shengzhan	Note 7	June 22, 2021	No	Long-term	Yes	N/A	N/A

Note 1:

The direct controlling shareholder of the Company, Sheng Huei International, and the indirect controlling shareholder of the Company, Acter (Taiwan), hereby undertake that:

(1) Within 36 months from the date of listing of the company's shares, the company will not transfer or entrust others to manage the shares issued before the public offering of the company directly or indirectly held by the Company, nor will the company repurchase such shares.

(2) Within 6 months after the listing of the company, if the closing price of the company's shares is lower than the issue price for 20 consecutive trading days, or if the closing price of the company's shares is lower than the issue price at the end of the 6-month period after the listing (or if such day is not a trading day, then it shall be the first trading day thereafter), the lock-up period for the Company's shareholdings in the company shall be automatically extended for 6 months. During the extended lock-up period, the company shall not transfer or delegate the management of the shares directly or indirectly held by the company that were issued prior to the public offering of the company, nor shall the company repurchase such shares.

(3) Within two years after the expiration of the aforesaid lock-up period, the Company shall reduce its shareholding in each year by not more than 25% of the total number of shares held by the company directly and indirectly at a price not lower than the issue price. The said issue price refers to the issue price of the company's IPO. In case of ex-rights and ex-dividends due to equity distribution, capitalization of provident fund, share allotment, etc., the ex-rights and ex-dividends shall be dealt with as per relevant provisions of the Shanghai Stock Exchange. The methods of share reduction include centralized bidding transactions, block trading, transfer by agreement, and other methods in compliance with the regulations of the CSRC and the Shanghai Stock Exchange.

(4) The Company reduces the corporate shares held as per the provisions of the *Securities Law of the People's Republic of China, Certain Provisions on Reduction of Shareholdings by Shareholders, Directors and Supervisors of Listed Companies, Implementing Rules for the Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Management of Listed Companies of the Shanghai Stock Exchange, Rules for Listing of Stocks of the Shanghai Stock Exchange* and other relevant laws, regulations and standardized documents. If the CSRC and the Shanghai Stock Exchange issue other regulations before the company reduces its corporate shares held, the company undertakes to strictly comply with the regulations in force at the time of the reduction of the company's shareholding in the company to implement the reduction.

(5) In the event that the company violates the aforesaid undertakings, the proceeds from the transfer of the company's shares in breach of the undertakings ("proceeds from the transfer in breach of the undertakings") shall belong to the company. If the company fails to hand over the gains arising out of the illegal transfer above to the company, the company shall have the right to freeze the remaining shares of the Company held by the company and may withhold the cash dividends payable to the company for offsetting the gains from the illegal transfer that the company shall hand over to the company, until the gains from the illegal transfer that the company shall hand over are remedied.

Note 2:

The shareholders of the Company, Suzhou Songhuei and Suzhou Shengzhan, hereby undertake that:

(1) Within 12 months from the date of listing of the company's shares, the company will not transfer or delegate the management of the shares held directly or indirectly by the company prior to the public offering of the company's shares, nor will the company repurchase such shares.

(2) If the company reduces its holdings of the company's shares within two years after the expiration of the lock-up period for the company's shares, the price of such reduction shall not be less than the issue price of the company's IPO. The said issue price refers to the issue price of the company's IPO. In case of ex-rights and ex-dividends due to equity distribution, capitalization of provident fund, share allotment, etc., the ex-rights and ex-dividends shall be dealt with as per relevant provisions of the Shanghai Stock Exchange.

(3) In addition to the aforesaid lock-up period, in the period when the shareholders/partners of the company serve as directors/senior management of the company, the shares of the company to be transferred by the company each year shall not exceed 25% of the total number of shares of the company directly or indirectly held by the company; and the shareholders of the company shall not transfer the shares of the company directly or indirectly held by the company within half a year after they have ceased to serve as directors/senior management of the Company.

(4) The Company shall reduce the corporate shares held as per the *Securities Law of the People's Republic of China, Certain Provisions on Reduction of Shareholdings by Shareholders, Directors and Supervisors of Listed Companies, Implementing Rules for the Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior management of Listed Companies of the Shanghai Stock Exchange, Rules for the Listing of Stocks on the Shanghai Stock Exchange* and other relevant laws, regulations and standardized documents. If the CSRC and the Shanghai Stock Exchange have any other regulations before the company reduces its shareholding in the company, the company undertakes to strictly comply with the regulations in force at the time of the reduction of the company's shareholding in the company to implement the reduction.

(5) In the event that the company violates the aforesaid undertakings, the proceeds of the violation shall belong to the company. If the enterprise fails to hand over to the company the proceeds of the aforesaid violation of transfer, the company shall have the right to freeze the remaining shares of the company held by the enterprise and may withhold the cash dividends payable to the enterprise and apply them against the proceeds of the violation of transfer due to the company until it makes up for the proceeds of the violation of transfer due to the enterprise.

Note 3:

Directors, supervisors and senior management who indirectly hold shares of the Company, Liang Jinli, Chen Zhihao, Zhu Qihua, Su Yuzhou, Huang Yaping, Liao Chongyou, Wang Yu, and Xiao Jingxia hereby undertake that (among whom Su Yuzhou, Huang Yaping, Liao Chongyou, and Wang Yu have resigned from their positions in June 2025):

(1) Within 12 months from the date of listing of the company's shares, I will not transfer or delegate the management of the shares held by me directly or indirectly that were issued before the company's public offering, nor will the company repurchase such shares.

(2) Within 6 months after the listing of the company, if the closing price of the company's shares is lower than the issue price for 20 consecutive trading days, or if the closing price of the company's shares is lower than the issue price at the end of the 6-month period after the listing (or if that day is not a trading day, then it is the first trading day thereafter), the lock-up period of the company's shares held by me shall be automatically extended for 6 months. During the extended lock-up period, I will not transfer or delegate the management of the shares held directly or indirectly by me that were issued prior to the public offering of the company, nor will the company repurchase such shares.

(3) If I reduce my holdings of the company's shares within two years after the expiration of the lock-up period, the price of such reduction shall not be less than the issue price of the company's IPO. The said issue price refers to the issue price of the company's IPO. In case of ex-rights and ex-dividends due to equity distribution, capitalization of provident fund, share allotment, etc., the ex-rights and ex-dividends shall be dealt with as per relevant provisions of the Shanghai Stock Exchange.

(4) In addition to the foregoing lock-up period, during the period in which I serve as a director, supervisor, and senior management of the Company, and if I leave office before the expiration of my term of office, during the term of office determined at the time of my assumption of office and within 6 months after the expiration of the term of office: ① The transfer of the shares shall not exceed 25% of the total number of the shares of the Company held directly or indirectly by me each year; and ② I shall not transfer the shares of the Company held directly or indirectly by me within 6 months of my leaving office.

(5) In case of reducing my shareholding in the Company, I will strictly comply with the provisions of the *Securities Law of the People's Republic of China, Certain Provisions on Reduction of Shareholdings by Shareholders, Directors and Supervisors of Listed Companies, Implementing Rules for the Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Management of Listed Companies on the Shanghai Stock Exchange, Rules for Listing of Stocks on the Shanghai Stock Exchange*, and other relevant laws, regulations, and standardized documents. If the CSRC and the Shanghai Stock Exchange have other regulations before I reduce my shareholding in the Company, I undertake to strictly comply with the regulations in force at the time I reduce my shareholding in the Company.

(6) I will not refuse to fulfill the above undertakings due to a change of position or departure from office. If I violate the above undertaking, the proceeds of the violation of the transfer shall belong to the Company. If I fail to hand over to the Company the proceeds of the aforesaid illegal transfer, the Company shall have the right to freeze the remaining shares of the Company held by me and may withhold the cash dividends payable to me and apply them against the proceeds of the illegal transfer due to the Company until it makes up for the proceeds of the illegal transfer due to me.

Note 4:

(I) Sheng Huei International, the direct controlling shareholder of the Company, has issued the *Commitment Letter on the Avoidance of Competition in the Same Industry* in respect of the avoidance of competition in the same industry, with specific commitments as follows:

1. As of the date of this commitment letter, except for the investment company, the Company and the subsidiaries directly or indirectly controlled by the Company have not engaged in any business which is or may be in the same line of competition with the Company and its subsidiaries in any manner, directly or indirectly, within or outside the PRC.

2. The Company and the subsidiaries directly or indirectly controlled by the Company will not in the future engage in any form of business or activity that constitutes or has the potential to constitute competition in the same line of business with the business operated by the Company and its subsidiaries, and will not, directly or indirectly, take a controlling interest in, acquire or merge with any enterprise or other economic organization that competes or is likely to compete with the business operated by the Company and its subsidiaries.

3. If the Company and its subsidiaries directly or indirectly controlled by the Company have any business opportunities to participate in or acquire shares in any business which may compete with or may compete with the business operated by the Company and its subsidiaries, the Company will immediately notify the Company and provide such business opportunities to the Company and its subsidiaries in an appropriate manner with priority, and the Company and its subsidiaries will have priority to acquire the assets or equity involved in the business under the same conditions. The Company will immediately notify the Company of such business opportunities in an appropriate manner, and the Company and its subsidiaries will have priority in acquiring the assets or equity interests involved in the relevant business under the same conditions, so as to avoid competing with the Company and its subsidiaries.

4. From the date of this Undertaking, if the Company further expands its main products and main business scope, the Company and other enterprises controlled by the Company at that time guarantee that they will not compete with the Company's expanded main products or main business; in case of competition with the Company's expanded main products or main business, the Company and other enterprises controlled by the Company at that time guarantee to withdraw from the competition with the Company in accordance with the following methods, including but not limited to

(1) Cessation of production of products that compete or may compete with the Company's expanded principal products;

(2) Cessation of the operation of businesses that compete or may compete with the Company's expanded main business;

(3) Incorporate into the Company, with the Company's consent, businesses that compete with the Company's expanded principal business;

(4) Transferring the business competing with the Company's expanded main business to an unrelated third party.

5. This commitment letter shall be effective from the date of issuance and shall remain effective in the period in which the Company is the controlling shareholder of Acter Group.

6. In case of any breach of the above undertakings, the Company is willing to bear the corresponding compensation liability arising from the breach of the above undertakings in accordance with laws.

(II) Acter (Taiwan), the indirect controlling shareholder of the Company, has issued the *Commitment Letter on the Avoidance of Competition in the Same Industry* in respect of avoidance of competition in the same industry. On August 28, 2024, Acter (Taiwan) changed the commitment on avoidance of competition in the same industry, with specific commitments as follows:

1. As of the date of this commitment letter, except for the investment company, the Company and the subsidiaries directly or indirectly controlled by the Company have not engaged in any business in any manner, directly or indirectly, other than in the Taiwan region of the PRC, that is in the same business competition or potential same business competition with the Company and its subsidiaries.

2. Except for the situation described in Article 3 of this commitment letter, the Company and the subsidiaries directly or indirectly controlled by the Company will not in the future engage in any form of business or activities that compete or potentially compete with the business operated by the Company and its subsidiaries in any manner, directly or indirectly, in other regions outside of the Taiwan region of China, and will not directly or indirectly, in other regions outside of the Taiwan region of China, take a controlling stake in, acquire, merge or amalgamate businesses that compete or potentially compete with the business operated by the Company and its subsidiaries.

3. If the Company and its subsidiaries directly or indirectly controlled by the Company have any business opportunities in other regions outside of the Taiwan region of China to participate in or acquire shares in any business that may compete or potentially compete with the business operated by the Company and its subsidiaries, the Company will immediately notify the Company and provide such business opportunities to the Company and its subsidiaries on a priority basis in an appropriate manner so that the Company and its subsidiaries can acquire the business involved on a priority basis under the same terms and conditions. The Company will immediately notify the Company to provide such business opportunities to the Company and its subsidiaries on a priority basis in an appropriate manner, and the Company and its subsidiaries will acquire the assets or equity involved in the relevant business on a priority basis under the same conditions, so as to avoid horizontal competition with the Company and its subsidiaries.

If Acter Group determines that the aforementioned business opportunity/operation aligns with the development needs of Acter Group and its subsidiaries, but, due to objective factors beyond its control - such as changes in laws, regulations, policies, or force majeure events, such opportunity/operation is unsuitable for direct execution by Acter Group or its subsidiaries, or if direct execution by Acter Group or its subsidiaries would adversely affect the protection of Acter Group's interests, then, in support of Acter Group's growth, the Company may, after full consultation with Acter Group, proceed with investment, acquisition, or interim cultivation of such opportunity/operation through the Company or other entities under the Company's control. The Company hereby commits that, once the relevant business or assets meet the conditions for transfer to Acter Group or its subsidiaries, we shall prioritize the transfer of such business or assets to Acter Group or its subsidiaries at a fair price, provided that such transfer complies with applicable laws, regulations, regulatory requirements, and the interests of Acter Group.

4. From the date of this commitment letter, if Acter Group further expands its main products and main business scope, the Company and other enterprises controlled by the Company at that time guarantee that they will not compete with the Company's expanded main products or main business; in case of competition with Acter Group's expanded main products or main business, the Company and other enterprises controlled by the Company at that time guarantee that they will withdraw from the competition in accordance with the following methods. The Company and other enterprises controlled by the Company at that time undertake to withdraw from competition with the Company in the following manner, including but not limited to the following:

(1) Cessation of production of products that compete or may compete with the Company's expanded principal products;

(2) Cessation of the operation of businesses that compete or may compete with the Company's expanded main business;

(3) Incorporate into the Company, with the Company's consent, businesses that compete with the Company's expanded principal business;

(4) Transferring the business competing with the Company's expanded main business to an unrelated third party.

5. This commitment letter shall be effective from the date of issuance and shall continue to be effective in the period in which the Company is an indirect controlling shareholder of the Company.

Note 5:

(I) In order to ensure that the Company's measures to fill the immediate returns can be effectively fulfilled, the Company's direct controlling shareholder, Sheng Huei International, and its indirect controlling shareholder, Acter (Taiwan), have made the following undertakings:

1. Do not intervene in the operation and management activities of the Company beyond their authority.

2. Do not encroach on the interests of the Company.

3. Do not harm the interests of the Company.

4. Do not effectively fulfill any commitments made by the Company in relation to the measures to fill in the returns. If the Company violates such commitments and causes losses to the Company or the investors, the Company is willing to bear the compensation liability to the Company or the investors in accordance with laws.

The Company, as the responsible party for the above undertakings, will be liable for compensation in accordance with laws if it violates the above undertakings and causes losses to the Company or investors.

(II) In order to guarantee that the Company's measures to fill in the immediate returns can be practically fulfilled, the directors and senior management of the Company undertake that:

1. Do not transfer benefits to other units or individuals without compensation or on unfair terms, nor use other means to harm the interests of the Company;

2. Restrain my consumption behavior in the office;

3. Do not use the Company's assets to engage in investment and consumption activities unrelated to the performance of their duties;

4. Fully support the remuneration system when it is formulated by the Board of Directors or the Remuneration and Appraisal Committee to link the remuneration system with the implementation of the Company's measures to fill in the returns, and to vote in favor of the relevant motions when they are being considered (if I have the right to vote);

5. If the Company subsequently launches the equity incentive policy, I undertake to fully support the proposals in the meeting of the board of directors and shareholders' meeting, which are to be announced and about the exercise conditions of the Company's equity incentives and the implementation of the Company's measures to fill in the returns; I will be willing to vote in favor of (if I have the right to vote) such motions;

6. After the date of this undertaking and before the completion of the implementation of the IPO and listing of the Company, if the CSRC makes any other new regulatory provisions on the measures and undertakings for filling the returns, and if the above undertakings fail to satisfy such provisions of the CSRC, I undertake to issue supplementary undertakings in accordance with the latest provisions of the CSRC at that time;

7. I undertake to effectively fulfill the relevant measures formulated by the Company to fill in the returns and any commitments I have made in relation to the measures to fill in the returns, and I am willing to bear the responsibility of compensating the Company or investors in accordance with the laws in the event of any violation of such commitments by me and any loss caused to the Company or investors.

8. As one of the parties responsible for the measures to fill in the returns, if I violate the above undertakings or refuse to fulfill the above undertakings, I agree to be punished or take relevant management measures in accordance with the relevant regulations and rules formulated or issued by the CSRC and the Shanghai Stock Exchange and other securities regulatory authorities.

(III) In order to protect the right to know and the interests of small and medium-sized investors, the Company has conducted a careful analysis of the impact of the IPO on the dilution of immediate returns, and has put forward specific measures and undertakings to cover the diluted immediate returns:

1. Comprehensively enhance the management level of the Company and improve the efficiency of capital utilization

To improve the Company's operational efficiency, strengthen budget management, control the Company's expenses, improve the efficiency of capital utilization, comprehensively and effectively control the Company's operation and risk management, and enhance operational efficiency and profitability. In addition, the Company will improve the remuneration and incentive mechanism, introduce outstanding talents in the market, fully exert employee's working passion, and explore their creativity and potentials. Through the above measures, the Company will comprehensively improve the operational efficiency, reduce costs, and enhance the Company's operating results.

2. Strengthen the supervision of investment projects to ensure the reasonable and legal use of funds raised.

The Company has formulated the *Proceeds Management System* and other relevant systems, in order to standardize the use and management of the Company's issue proceeds and ensure that the issue proceeds are used in a standardized, safe and efficient manner. The board of directors has passed a resolution on the establishment of a special account for the use and management of the issue proceeds, which will be deposited in the special account designated by the board of directors and used for the specific purpose only. The Company will strictly manage the use of proceeds in accordance with relevant laws and regulations and the requirements of the *Proceeds Management System*, and will actively cooperate with the regulatory banks and sponsoring organizations in the inspection and supervision of the use of proceeds, so as to ensure that the proceeds are reasonably used in a normal manner and to reasonably guard against the risk of the use of proceeds.

3. Accelerate the investment progress of the fund-raising projects and strive to realize the expected benefits of the projects as soon as possible.

The implementation of the fund-raising investment projects of the Offering is in line with the Company's development strategy, which can effectively enhance the Company's business capacity and profitability, and is conducive to the Company's sustainable and rapid development. Prior to the availability of the proceeds, the Issuer intends to actively raise funds through a variety of channels to

accelerate the investment progress of the fund-raising projects, and strive to realize the expected benefits of the projects as early as possible, so as to enhance the shareholders' returns in the next few years and to reduce the risk of dilution of the current returns caused by the Issue.

4. Further improve the profit distribution system and strengthen the investor return mechanism.

The Company has amended the *Articles of Association (Draft)* in accordance with relevant laws and regulations and established a sound and effective shareholder return mechanism. Upon completion of the Offering, the Company will, in accordance with relevant laws and regulations and the Company's *Articles of Association (Draft)*, actively promote the distribution of profits to shareholders where the conditions for profit distribution are met, so as to effectively maintain and increase the returns to shareholders.

Note 6:

As per relevant provisions of the *Opinions on Further Promoting the Reform of the New Issue System of New Shares* issued by the CSRC, the *Proposal of Stabilizing the Share Price of Acter Technology Integration Group Co., Ltd.* was passed in the Company's 2021 2nd interim shareholders' meeting through consideration, in order to protect the interests of investors and further specify the measures to stabilize the share price of the Company when the share price of the Company is lower than the net asset per share within three years after the listing of the Company.

(I) Effective Period of the PLAN

The Plan shall be valid for three years from the date of listing of the Company's shares.

(II) Conditions for Activation and Cessation of the Share Price Stabilization Plan

1. Conditions for activation

Within three years after the listing of the Company's shares, if the closing price of the Company's shares for 20 consecutive trading days is lower than the Company's audited net asset value per share as of the end of the most recent period (in the event that the closing price of the said shares is not comparable with the Company's audited net asset value per share as of the end of the most recent period due to ex-rights and ex-dividend matters, the said net asset value per share shall be adjusted accordingly) and if the provisions of relevant laws, regulations, and standardized documents relating to the buyback and holding of additional shares are also met, the plan shall be triggered, then the measures for stabilizing the Company's stock price by the Company, controlling shareholders, directors (excluding independent directors) and senior management shall be taken.

2. Cessation Conditions

During the implementation period, if any of the following circumstances occurs, the implementation of the stock price stabilization measures and the fulfillment of the commitments shall be deemed to be completed and the announced stock price stabilization plan shall cease to be implemented:

① The closing price of the Company's shares for 5 consecutive trading days is higher than the Company's unaudited net assets per share for the latest period (if the closing price of the said shares is not comparable with the Company's audited net assets per share at the end of the latest period due to ex-rights and ex-dividend matters, the said net assets per share shall be adjusted accordingly);

② Continuing to repurchase or hold additional shares of the Company will result in the Company's shareholding distribution failing to meet the listing conditions;

③ Continuing to hold additional shares will result in the need to fulfill the obligation to make a tender offer, and it has not planned to implement the tender offer.

3. Specific measures of the share price stabilization plan

(1) Buyback by the Company

① The Company shall convene the Board of Directors within 10 trading days from the date of triggering the activation conditions of the share price stabilization measures in accordance with laws, regulations, and the Articles of Association of the Company. The Board of Directors shall formulate a clear and specific buyback plan, the content of which shall include, but not be limited to, the types of shares to be repurchased by the Company, the number of ranges, the price ranges, the period of implementation, etc., and submit it to the Shareholders' Meeting of the Company for deliberation and approval; the buyback plan will become effective upon consideration and approval by the General Meeting. The buyback plan shall become effective after it is considered and approved by the general meeting of the Company. However, the program will not be implemented any longer, if the share price of the Company before or during the implementation of the share buyback plan already fails to meet the conditions for initiating measures to stabilize the Company's share price.

② After the share buyback plan is approved by the shareholders' meeting, the Company will notify creditors in accordance with laws and submit relevant materials to the competent authorities, such as the

securities regulatory authorities and stock exchanges, for approval or filing. The buyback price of the Company shall not be higher than the Company's audited net asset value per share as of the end of the most recent period (if the closing price of the said shares is not comparable to the Company's audited net asset value per share as of the end of the most recent period due to ex-rights and ex-dividend matters, the said net asset value per share shall be adjusted accordingly), and the method of buyback of shares shall be by way of centralized competitive bidding and trading, by way of an offer, or by other methods approved by the securities regulatory authorities.

③ If the share price of the Company triggers the above conditions for price stabilization measures several times in a fiscal year, the Company will continue to implement the above share price stabilization plan as per the following principles: I. The amount of funds used for share buyback in a single buyback shall not be higher than 10% of the audited net profit attributable to the shareholders of the parent company of the previous fiscal year; II. The total amount of buyback funds used to stabilize the share price in a single fiscal year shall not exceed 30% of the audited net profit attributable to shareholders of the parent company in the preceding fiscal year. If the above criteria are exceeded, the relevant share price stabilization measures will not be continued in the current year. However, in the event that circumstances requiring the activation of share price stabilization measures continue to arise in the following year, the Company will continue to implement the share price stabilization plan in accordance with the above principles.

(2) Increase in shareholdings by controlling shareholders

① If the board of directors fails to formulate and announce a share buyback plan within 10 trading days after triggering the obligation, or if the share buyback plan is rejected by the shareholders' meeting, or if the company fails to fulfill or is unable to fulfill the obligation to repurchase shares within 30 days after announcing the specific implementation plan for the buyback, or if the company fails to stabilize the closing price of its stock above the audited net asset value per share for more than 5 consecutive trading days after reaching the upper limit of the buyback plan, it will trigger the obligation for the controlling shareholder to increase its shareholding.

② On the premise of not affecting the company's listing conditions, the company's controlling shareholders shall be triggered within 3 trading days from the date of the obligation to increase the proposed plan to increase the company's shareholding (including the number of shares to be increased, price range, time, etc.), and in accordance with laws to carry out the necessary approvals, and notify the company within 3 trading days of approval, the company shall be in accordance with the relevant provisions of the disclosure of the plan for the increase in the purchase of shares. The Company shall disclose the plan to increase its shareholding in accordance with the relevant regulations. Three trading days after the Company discloses the plan to increase its shareholding in accordance with the plan, the Company shall commence the implementation of the plan to increase its shareholding in accordance with the plan.

③ The method for the controlling shareholder of the Company to increase its shareholding shall be by way of centralized bidding and trading, offer or other methods approved by the securities regulatory authorities, and the price of the additional shareholding shall not exceed the audited net asset value per share as of the end of the most recent period (in the event that the closing price of the aforesaid shares is not comparable with the audited net asset value per share as of the end of the most recent period due to ex-rights and ex-dividend, etc., the aforesaid net asset value per share shall be adjusted accordingly). However, if the share price of the Company no longer meets the conditions for activating the measures to stabilize the Company's share price prior to or in the course of the implementation of the plan to increase the shareholding of the Company, the plan may not be continued.

If the Company's share price triggers the above conditions for the need to take share price stabilization measures several times within a fiscal year, the controlling shareholder will continue to implement the share price stabilization plan in accordance with the above, but shall follow the following principles: I. The amount of funds used to increase shareholdings on a single occasion shall not be less than 20% of the amount of after-tax cash dividends received by the controlling shareholder from the Company on the most recent occasion; II. The amount of funds used to stabilize the share price to increase shareholdings in a single year shall not exceed 50% of the amount of after-tax cash dividends received by the controlling shareholder from the Company on the most recent occasion. If the above criteria are exceeded, the relevant share price stabilization measures will not be continued in the current year. However, in the event that circumstances requiring the activation of share price stabilization measures continue to arise in the following year, the Company will continue to implement the share price stabilization plan in accordance with the above principles. In the event that the share price stabilization measures are triggered in the

following year, the amount of funds already used for share price stabilization in prior years will no longer be counted as part of the cumulative cash dividends.

(3) Increase in shareholdings by directors (excluding independent directors) and senior management

① If the controlling shareholder of the Company fails to propose a plan to increase the shareholding of the Company within 10 trading days from the date of triggering the obligation to increase shareholding, or fails to commence the implementation of the plan to increase shareholding within 30 days from the date of the Company's announcement of the plan to increase shareholding, or if, after the controlling shareholder of the Company has reached the maximum limit of the plan to increase shareholding, the closing price of the Company's shares still fails to be stabilized at a level higher than the Company's audited net asset value per share as of the end of the most recent period for a period of more than 5 trading days, then the obligation of the Company's directors (excluding independent directors) and senior management will be triggered to increase their holdings of the Company's shares.

② Without affecting the listing conditions of the company, the company's directors (excluding independent directors), senior management shall be triggered within 3 trading days from the date of the obligation to increase the proposed plan to increase the company's shares (including the number of shares to be increased, the price range, time, etc.), and comply with the law to carry out the necessary approval procedures, and notify the company within 3 trading days of approval, the company shall disclose the plan to increase the acquisition of shares in accordance with the relevant provisions. Three trading days after the Company discloses the plan to increase its shareholding in accordance with the plan, the Company shall commence the implementation of the plan to increase its shareholding in accordance with the plan.

③ The directors (excluding independent directors) and senior management of the Company will purchase the Company's shares through competitive bidding transactions to stabilize the Company's share price at a price not higher than the Company's audited net asset value per share as of the end of the most recent period (in the event that the closing price of the aforesaid shares is not comparable to the audited net asset value per share as of the end of the most recent period due to ex-rights and ex-dividend, etc., the aforesaid net asset value per share shall be adjusted accordingly). However, if the share price of the Company does not meet the conditions for the activation of measures to stabilize the Company's share price within 3 trading days of the disclosure of the Company's purchase plan or in the course of the implementation of the plan, the Company may cease to implement the above plan to increase the Company's shareholding. If the share price of the Company triggers the above conditions for price stabilization measures several times within a fiscal year, the directors (excluding independent directors) and senior management of the Company will continue to implement the above share price stabilization plan, but shall comply with the following principles: I. The amount of funds used for the purchase of shares on a single occasion shall not be less than 20% of the after-tax remuneration that he/she received from the Company during the previous fiscal year while he/she was serving as a director or a senior management; II. The amount of funds used to stabilize the share price in a single year shall not exceed 50% of the after-tax remuneration received from the Company in the previous fiscal year in the period in which he or she held the position of director or senior executive. If the above criteria are exceeded, the relevant share price stabilization measures will not be continued in the current year. However, in the event that circumstances requiring the activation of price stabilization measures continue to arise in the following year, the share price stabilization plan will continue to be implemented in accordance with the above principles.

If the Company appoints new directors (excluding independent directors) and senior management, the Company will require the new directors and senior management to fulfill the corresponding commitments made by the directors and senior management when the Company was listed.

4. Restrictive measures for failure to activate share price stabilization measures

If the Company, controlling shareholders, directors (excluding independent directors) and senior management fail to take the specific measures above for stabilizing the share price when the conditions for the activation of the price stabilization measures are met, the Company undertakes to accept the following restrictive measures:

(1) The Company, controlling shareholders, directors (excluding independent directors) and senior management will publicly explain the reasons why the above measures are not taken and apologize to the Company's shareholders and public investors at the general meeting of the Company and in the disclosure media designated by the CSRC.

(2) The controlling shareholder of the Company undertakes that: (2) If the controlling shareholder fails to take the specific measures above for stabilizing the share price when the conditions for the initiation of the share price stabilization measures are met, the Company shall have the right to withhold or deduct

the cash dividends payable to the unit in an amount equal to the amount used for the implementation of the Share Increase Plan.

(3) The directors (excluding independent directors) and senior management of the Company undertake that: when the conditions for the activation of the share price stabilization measures are met, the Company shall have the right to withhold or reduce the remuneration and cash dividends payable to the Company if the Company fails to take the specific measures above to stabilize the share price.

5. Legal procedures of the proposal

In the event that the Company needs to adjust the proposal which is inconsistent with the relevant provisions due to revisions of laws and regulations or changes in policies, such adjustments shall be approved by more than two-thirds of the total number of voting shares held by shareholders present at the shareholders' meeting.

Note 7:

(I) Restrictive Measures by the Company Regarding Non-fulfillment of Public Commitments:

The Company will strictly fulfill all matters of public commitments made by the Company in connection with the IPO and listing of shares and actively accept social supervision. Unless otherwise specifically constrained, if the Company fails to fully and effectively fulfill the undertakings made in the course of its IPO and listing, the Company undertakes to take the following restrictive measures:

1. If the Company fails to fulfill its public commitments or if the fulfillment of the commitments is not conducive to the protection of the Company's rights and interests due to reasons other than force majeure, the Company shall propose to replace the original commitments with new commitments or propose to waive the fulfillment of the obligations under the commitments. The above changes shall be submitted to the shareholders' meeting for consideration, and the Company will provide shareholders with the means of internet voting and urge the shareholders involved in the commitment matters to abstain from voting. If new commitments are proposed to replace the original ones, the relevant commitments shall comply with the prevailing laws, regulations, and the Company's Articles of Association; and the Company undertakes to accept the following constraints until the fulfillment of the commitments or the implementation of the corresponding remedial measures is completed:

(1) Publicly explain the specific reasons and apologize to the shareholders and public investors in the shareholders' meeting and the disclosure media designated by the CSRC;

(2) Reduction or suspension of the remuneration or allowances of directors, supervisors, and senior management who are personally liable for the Company's failure to fulfill the undertakings (if such persons are on the Company's payroll);

(3) Not to approve the application for voluntary departure of directors, supervisors, and senior management who have failed to fulfill their undertakings, but may make changes in their positions;

(4) In case of losses caused to investors, the Company will be liable to compensate investors in accordance with laws;

(5) In accordance with laws, regulations, and the requirements of the relevant regulatory bodies, assume the corresponding responsibilities.

2. If the company fails to fulfill its public commitments or fails to fulfill its public commitments on schedule due to force majeure, the Company shall propose new commitments (the relevant commitments shall comply with the laws, regulations, articles of association, and fulfill the relevant approval procedures) and shall be subject to the following constraints until the commitments have been fulfilled or the corresponding remedial measures have been implemented:

(1) Publicly explain the specific reasons and apologize to the shareholders and public investors in the shareholders' meeting and the disclosure media designated by the CSRC;

(2) To expeditiously study solutions for minimizing the loss of investors' interests and submit them to the shareholders' meeting for consideration, so as to protect the interests of the Company's investors as far as possible.

(II) Controlling Shareholders' Restrictive Measures on Failure to Fulfill Public Undertakings

Unless otherwise specifically constrained, if Sheng Huei International, the direct controlling shareholder of the Company, and Acter (Taiwan), the indirect controlling shareholder of the Company, fail to fully and effectively fulfill the undertakings they have made in the course of the IPO and listing of Acter Group, they undertake to take the following restrictive measures:

1. In the event that the Company fails to fully and effectively fulfill its obligations or responsibilities under the aforementioned undertakings, the Company undertakes to actively cooperate with the relevant regulatory authorities in their investigations and accept the corresponding penalties;

2. To compensate public investors with its own funds for direct losses suffered as a result of relying on the relevant undertakings to implement the transactions, with the amount of compensation to be determined on the basis of the amount negotiated between the Company and the investor, or in the manner or in the amount determined by the relevant regulatory authorities or judicial organs;

3. If income is obtained as a result of non-performance of the undertakings (i.e. such income cannot be obtained in the case of performance of the undertakings), the income obtained shall belong to the Company, which will pay the aforesaid income to the Company's designated account within 5 days of obtaining the income; and if losses are incurred by the Company or other investors as a result of the non-performance of the undertakings, the Company or other investors shall be held liable for compensation according to laws.

(III) Restrictive Measures for Directors, Supervisors and Senior Management of the Company in Respect of Non-fulfillment of the Undertakings:

The directors, supervisors and senior management of the Company undertake:

I have made relevant undertakings in the process of IPO and listing of shares of Acter Group, and if I fail to fulfill them, or if I am unable to fulfill them, or if I am unable to fulfill them on schedule (except for those due to relevant laws and regulations, policy changes, natural disasters, and other force majeure, and other objective reasons beyond my control), or if the fulfillment of the relevant undertakings will be detrimental to the safeguarding of the rights and interests of the Company and the investors, I will take the following measures:

1. Disclose the specific reasons why I have failed to fulfill my commitments, was unable to fulfill them, or fulfill them on schedule in time through the Company;

2. Submit to the Company and its investors an application for change of undertakings or exemption from fulfillment of undertakings and submit it to the shareholders' meeting for consideration in order to protect the rights and interests of the Company and its investors. I will recuse myself from voting at the shareholders' meeting when the matter is considered (if I am a shareholder of the Company at that time);

3. Submit the proceeds from my breach of my undertaking to the Company.

If the Company or the investor suffers any loss by my failure to fulfil my undertaking or incapacity to fulfil or fulfil an undertaking on time, I will compensate the Company or investors in accordance with the laws and the following procedures:

1. I agree that the Company shall reduce or cease to pay my salary, bonus, allowance, dividend (if any), etc., and use the reduced or ceased salary, bonus, allowance, dividend (if any), etc., to implement the unfulfilled commitments or to compensate for the losses caused to the Company and the investors as a result of the unfulfilled commitments;

2. If I reduce my shareholding before the compensation is completed, the funds obtained from the reduction will be supervised by the Board of Directors of the Company and used exclusively for the fulfillment of the commitments or compensation until I have fulfilled my commitments or compensated for the losses incurred by the Company and the investors (if I am a shareholder of the Company at that time).

In the event that I fail to fulfill my commitments, am unable to fulfill them, or fulfill them on schedule due to objective reasons beyond my control, such as the changes in relevant laws, regulations, and policies, natural disasters, etc., I will make disclosure the reason in time via the Company and actively take measures to change my commitments, supplement my commitments, and other means to safeguard the rights and interests of the Company and the investors.

I will not refuse to fulfill the above commitments due to a change of position, dismissal, etc.

(IV) Restrictive measures of Suzhou Songhuei and Suzhou Shengzhan against the failure to fulfill the commitments

The shareholders of the Company, Suzhou Songhuei and Suzhou Shengzhan, hereby undertake that:

As shareholders of the Company, unless otherwise specified, if the Company fails to fully and effectively fulfill the undertakings made in the course of the Company's IPO and listing, the Company undertakes to take the following restrictive measures:

1. If the Company fails to fully and effectively fulfill the obligations or responsibilities in the foregoing undertakings, the Company undertakes to actively cooperate with the relevant regulatory authorities in their investigations and accept the corresponding penalties;

2. Compensate public investors with its own funds for direct losses suffered as a result of relying on the relevant undertakings to implement the transactions, with the amount of compensation to be determined on the basis of the amount negotiated between the Company and the investor, or in the manner or in the amount determined by the relevant supervisory authorities or judicial organs;

3. If the Company obtains income from the failure to fulfil the commitments (i.e. such income cannot be obtained in the case of fulfillment of the commitments), the income obtained shall belong to the Company, which shall pay the aforesaid income to the designated account of the Company within 5 days upon obtaining the income; and if the non-fulfillment of the commitments causes losses to the Company or other investors, the Company shall compensate for the losses to the Company or other investors according to laws.

(II) If There is a Profit Forecast for the Company's Assets or Projects and the Reporting Period is Still in the Profit Forecast Period, the Company Shall Make a Statement on Whether the Assets or Projects Have Met the Original Profit Forecast and the Reasons Thereof

Achieved Not Achieved N/A

(III) Performance Commitments

Applicable N/A

Change in performance commitments

Applicable N/A

Other notes

Applicable N/A

II. Non-operational Appropriation of Funds by Controlling Shareholders and Other Connected Parties during the Reporting Period

Applicable N/A

III. Violation of Guarantees

Applicable N/A

IV. Explanation for the Board of Directors of the Company on the “Non-standard Opinion Audit Report” of the Accounting Firm

Applicable N/A

V. Explanation for the Company’s Analysis of the Reasons for and Impact of Changes in Accounting Policies, Accounting Estimates, or Correction of Material Accounting Errors**(I) Explanation for the Company’s Analysis of the Reasons for and Impact of Changes in Accounting Policies and Accounting Estimates**

Applicable N/A

(II) Explanation for the Company’s Analysis of the Reasons for and Impact of the Correction of Significant Accounting Errors

Applicable N/A

(III) Communication with the Former Accounting Firm

Applicable N/A

(IV) Approval Procedures and Other Notes

Applicable N/A

VI. Appointment and Dismissal of Accounting Firm

In RMB Yuan

	Current Appointment
Name of domestic accounting firm	ShineWing Certified Public Accountants LLP (special general partnership)
Remuneration of domestic accounting firm	849,056.60
Years of audit experience of domestic accounting firm	4
Name of certified public accountants of the domestic accounting firm	Liu Yuehua, Wang Ping
Cumulative years of audit service of the certified public accountants of the domestic accounting firms	4
Name of overseas accounting firm	N/A
Remuneration of the overseas accounting firm	N/A
Years of audit by overseas accounting firms	N/A

	Firm Name	Remuneration
Internal control audit accounting firm	ShineWing Certified Public Accountants LLP (special general partnership)	188,679.25
Financial consultant	N/A	
Sponsor	N/A	

Appointment and dismissal of accounting firm

Applicable N/A

The Company passed the *Resolution on the Re-appointment of Accounting Firm*, at the 18th Meeting of the 2nd Board of Directors on March 28, 2025, and the 2024 annual shareholders’ meeting on April 18, 2025, and agreed to re-appoint ShineWing Certified Public Accountants LLP as the auditing organization of the Company’s annual financial report and internal control for the year 2025.

Explanation for the reappointment of the accounting firm during the audit period

Applicable N/A

Explanation for the decrease of 20% or more in the audit fee as compared with that of the prior year

Applicable N/A

VII. Situations Facing the Risk of Delisting

(I) Reasons for Delisting Risk Warning

Applicable N/A

(II) Countermeasures to be Taken by the Company

Applicable N/A

(III) Circumstances and Reasons for Termination of Listing

Applicable N/A

VIII. Matters Relating to Bankruptcy and Reorganization

Applicable N/A

IX. Significant Litigation and Arbitration Matters

Major litigation and arbitration matters in the current year

No major litigation and arbitration matters in the current year

X. Punishment and Rectification on the Listed Company, Its Directors, Senior Management, Controlling Shareholders and Actual Controllers Due to Suspect of Law Violations.

Applicable N/A

XI. Explanation for the Integrity Status of the Company, Its Controlling Shareholders and Actual Controllers during the reporting period

Applicable N/A

XII. Significant Related Transactions

(I) Related Party Transactions Related to Daily Operations

1. Matters disclosed in the interim announcement and with no progress or change in subsequent implementation

Applicable N/A

2. Matters disclosed in the interim announcement but with progress or changes in subsequent implementation

Applicable N/A

On March 28, 2025, the Company held the 18th Meeting of the 2nd Board of Directors and the 16th Meeting of the 2nd Board of Supervisors, at which it approved the *Proposal on the Confirmation of Routine Related Transactions for the Year 2024 and the Expected Routine Related Transactions for the*

Year 2025 respectively through consideration. As of the end of the reporting period, the daily related party transactions between the Company and the proposed connected persons are as follows, and have not exceeded the projected amounts:

Category of Related Party Transactions	Related party	Estimated Amount for 2025 (RMB 10,000)	Actual Amount in 2025 (RMB 10,000)
Rental of buildings to related parties	Suzhou Winmax Technology Corp. and its subsidiaries	500	343.42
Acceptance of rental housing from related parties		10	5.22
Total		510.00	348.64

Note: The actual amount incurred in 2025 includes collected and paid water and electricity expenses on behalf of relevant parties.

For details of the relevant matters, please refer to the *Proposal of Acter Group on the Confirmation of Routine Related Transactions for the Year 2024 and the Expected Routine Related Transactions for the Year 2025* (Announcement No. 2025-007) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the designated media on March 29, 2025.

3. Matters not disclosed in the interim announcement

Applicable N/A

(II) Related Party Transactions Arising from the Acquisition or Disposal of Assets or Equity Interests

1. Matters disclosed in the interim announcement and with no progress or change in subsequent implementation

Applicable N/A

2. Matters disclosed in the interim announcement but with progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in the interim announcement

Applicable N/A

4. If performance agreement is involved, the performance realization of the reporting period shall be disclosed

Applicable N/A

(III) Significant Related Party Transactions of Joint Foreign Investment

1. Matters disclosed in the interim announcement and with no progress or change in subsequent implementation

Applicable N/A

2. Matters disclosed in the interim announcement but with progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in the interim announcement

Applicable N/A

(IV) Related Debt Transactions

1. Matters disclosed in the interim announcement and with no progress or change in subsequent implementation

Applicable N/A

2. Matters disclosed in the interim announcement but with progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in the interim announcement

Applicable N/A

(V) Financial business between the Company and finance companies with which it has a connected relationship, and between the Company's holding company and connected parties

Applicable N/A

(VI) Others

Applicable N/A

XIII. Significant Contracts and Their Fulfillment

(I) Trusteeship, Contracting and Leasing Matters

1. Trusteeship

Applicable N/A

2. Contracting

Applicable N/A

3. Leasing

Applicable N/A

(II) Guarantees

☑ Applicable ☐ N/A

In RMB Yuan

External Guarantees of the Company (Excluding Guarantees to Subsidiaries)														
Guarantor	Relationship with the Listed Company	Guaranteed Party	Amount of Guarantee	Date of Guarantee (Signature Date of Agreement)	Guarantee Starting Date	Guarantee Expiration date	Type of Guarantee	Collateral (if any)	Whether the Guarantee Has Been Fulfilled	Whether the Guarantee Is Overdue	Amount Overdue	Counter-guarantee	Guarantee for Related Parties	Relationship
Total amount of guarantees incurred during the reporting period (excluding guarantees to subsidiaries)														
Total guarantee balance at the end of the reporting period (A) (excluding guarantees to subsidiaries)														
Guarantees by the Company and its Subsidiaries to Subsidiaries														
Total amount of guarantee incurred for subsidiaries during the reporting period							384,702,246.00							
Total balance of guarantees to subsidiaries as of the end of the reporting period (B)							833,740,603.05							
Status of Total Corporate Guarantees (Including Guarantees to Subsidiaries)														
Total amount of guarantees (A+B)							833,740,603.05							
Proportion of total guarantees in the Company's net assets (%)							71.35							
Including:														
Amount of guarantees in favor of shareholders, actual controllers, and their related parties (C)							0							
Amount of debt guarantees provided directly or indirectly for guaranteed objects with asset-liability ratio exceeding 70% (D)														
Amount of the portion of total guarantees exceeding 50% of net assets (E)							249,514,698.89							

Total amount of the above three guarantees (C+D+E)	249,514,698.89
Explanation for possible joint and several liability for outstanding guarantees	
Description of guarantees	At the 14th Meeting of the Audit Committee of the 2nd Board of Directors, the 18th Meeting of the 2nd Board of Directors, the 16th Meeting of the 2nd Board of Supervisors on March 28, 2025, and the 2024 shareholders' meeting on April 18, 2025, the Company passed the <i>Proposal on the Total Estimated Guarantee for the Year 2025</i> through consideration. According to the proposal above, the Company can provide guarantees for its subsidiaries, mutual guarantees between subsidiaries, and guarantees provided by subsidiaries for the Company, with the total amount not exceeding RMB 6,500,000,000 in 2025. For details, please refer to the <i>Announcement on the Estimated Total Guarantee Quota for 2025</i> (Announcement No. 2025-008) disclosed by the Company on March 29, 2025.

(III) Entrusted Cash Asset Management

1. Entrusted financial management

(1) Overall entrusted wealth management

Applicable N/A

In RMB Yuan

Type	Risk Characteristics	Outstanding Balance	Overdue Amount not Recovered
Bank financial products	Low risk	0	0

Others

Applicable N/A

(2) Individual entrusted financial management

Applicable N/A

Others

Applicable N/A

(3) Provision for impairment of entrusted finance

Applicable N/A

2. Entrusted loans

(1) Overall situation of entrusted loans

Applicable N/A

Others

Applicable N/A

(2) Individual entrusted loans

Applicable N/A

Others

Applicable N/A

(3) Provision for impairment of entrusted loans

Applicable N/A

3. Others

Applicable N/A

(IV) Other Significant Contracts

Applicable N/A

XIV. Explanation for the Progress of the Use of Proceeds

Applicable N/A

(I) Overall Utilization of Proceeds Raised

Applicable N/A

In RMB Yuan

Source of Fund-raising	Time of Arrival of the Fund-raising	Total Amount of Fund-raising	Net Proceeds (1)	Total Committed Investment of Proceeds (2) in Prospectus or Offering Circular	Amount of Over-raised Funds (3) = (1) – (2)	Cumulative Total Amount of Proceeds Invested as of the End of the Reporting Period (4)	Including: Cumulative Total Amount of Over-raised funds Invested as of the End of the Reporting Period (5)	Cumulative Input Progress of Proceeds as of the End of the Reporting Period (%) (6)=(4)/(1)	Cumulative Input Progress of Over-raised Funds as of the End of the Reporting Period (%) (7)=(5)/(3)	Amount Invested during the Year (8)	Percentage of Current Year's Input Amount (%) (9)=(8)/(1)	Total Amount of Proceeds from Change of Use
IPO	September 29, 2022	545,000,000.00	485,347,160.34	485,347,160.34	0	474,812,660.30	0	97.83	0	5,678,923.12	1.17	/
Total	/	545,000,000.00	485,347,160.34	485,347,160.34	0	474,812,660.30	0	/	/	5,678,923.12	/	

Others

Applicable N/A

(II) Details of the Fund-raising Projects

Applicable N/A

1. Use of proceeds

Applicable N/A

In RMB 10,000

Source of	Item	Project	Committed Invest	Related to Chan	Total Amount of	Amount Invested	Cumulative	Cumulative Progress of Inputs	Date Project reaches	Close d or Not	Whether the	Specific Reasons Why Inputs	Benefits Realized	Benefits Realized or R&D	Has There Been a	Amount of
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Fund-raising		Nature	Project in Prospectus or Offering Circular?	Investment?	Fund-raising Plan (1)	Actual in this Year	Total amount of Proceeds Invested as of the End of the Reporting Period (2)	Percentage as of the End of the Reporting Period (%) (3)=(2)/(1)	Intended Useable Condition		Progress of Inputs is in Line with the Planned Schedule	Did Not Progress as Planned	Actualized During the Year	Results of the Project	Significant Change in the Feasibility of the Project, and If so, Please Provide Details	Savings
IPO	Supplemental Clean Room Project Supporting Working Capital Project	Other	Yes	No	43,764.42	0.00	43,988.47	100.51%	/	Yes	Yes	/	N/A	N/A	No	/

IPO	R&D Center Construction Project	R&D	Yes	No	2,539.50	567.89	1,254.55	49.40%	December, 2026	No	Yes	/	N/A	N/A	No	/
IPO	Marketing and Service Network Construction Project	Operation management	Yes	No	2,230.80	0.00	2,238.25	100.33%	September, 2024	Yes	Yes	/	N/A	N/A	No	/
Total	/	/	/	/	48,534.72	567.89	47,481.27	/	/	/	/	/	/	/	/	/

2. Specific circumstances of the re-demonstration of the fund-raising projects during the reporting period

Applicable N/A

(III) Changes in or Termination of Fund-raising Investments during the Reporting Period

Applicable N/A

(IV) Other Use of Proceeds during the Reporting Period

1. Prior investment and replacement of issue proceeds investment projects

 Applicable N/A

2. Temporarily supplementing liquidity with idle proceeds

 Applicable N/A

3. Cash management of idle issue proceeds and investment in related products

 Applicable N/A

In RMB 10,000

Considered by the Board of Directors	Effective Consideration Amount of Proceeds Used for Cash Management	Starting Date	Ending Date	Cash Management Balance at the End of the Reporting Period	Whether the Maximum Balance for the Period Exceeds the Authorized Amount
October 25, 2024	2,000.00	October 25, 2024	October 24, 2025	/	No
October 17, 2025	1,200.00	October 17, 2025	October 16, 2026	1,200.00	No

Others

None

4. Others

 Applicable N/A**(V) Conclusion Opinions of Intermediaries on the Special Inspection and Verification of the Storage and Use of Raised Funds** Applicable N/A

For details of the relevant matters, please refer to the *Verification Opinion of Soochow Securities Co., Ltd. on the Deposit and Use of Raised Funds of Acter Technology Integration Group Co., Ltd. for the Year 2025 and the Verification Report on the Annual Deposit and Use of Raised Funds* disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the designated media on March 28, 2026.

Explanation for relevant abnormal situations found in the inspection

 Applicable N/A**(VI) Follow-up Rectification on Unauthorized Change in the Use of Raised Funds and Illegal Occupation of Raised Funds** Applicable N/A**XV. Explanation for Other Significant Matters that Have a Significant Impact on Investors' Value Judgment and Investment Decisions** Applicable N/A

Section VI Changes in Shares and Information about Shareholders

I. Changes in Share Capital

(I) Table of Changes in Shares

1. Table of changes in shares

	Before the Change		Changes in the Period (+,-)					In Share After the Change	
	Number	Ratio (%)	New Shares Issued	Bonus Shares	Capital Reserve Conversion	Others	Subtotal	Number	Ratio (%)
I. Shares Subject to Selling Restrictions	64,997,250	65.00				- 64,997,250	- 64,997,250	0	
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares									
Including: domestic non-state-owned legal person shares									
Domestic individual shares									
4. Foreign-owned shares	64,997,250	65.00				- 64,997,250	- 64,997,250	0	
Including: overseas legal person shares	64,997,250	65.00				- 64,997,250	- 64,997,250	0	
Overseas individual shares									
II. Shares Subject to No Selling Restrictions	35,002,750.00	35.00				64,997,250	64,997,250	100,000,000.00	100.00
1. RMB ordinary shares	35,002,750.00	35.00				64,997,250	64,997,250	100,000,000.00	100.00

2. Foreign-listed domestic shares									
3. Foreign-listed foreign shares									
4. Others									
III. Total Shares	100,000,000.00	100.00						100,000,000.00	100.00

2. Description of changes in shares

Applicable N/A

3. Impact of changes in shares on financial indicators such as earnings per share and net assets per share for the last year and the prior period (if any)

Applicable N/A

4. Other disclosures deemed necessary by the Company or required by securities regulatory authorities

Applicable N/A

(II) Changes in Restricted Shares

Applicable N/A

Shareholder Name	Number of Restricted Shares at the Beginning of the Year	Number of Restricted Shares Lifted During the Year	Number of Restricted Shares Increased During the Year	Number of Restricted Shares at End of Year	Reason for Restriction	In Share
						Lifting Date of Restriction
SHENG HUEI INTERNATIONAL CO. LTD.	64,997,250	64,997,250	0	0	IPO	October 13, 2025
Total	64,997,250	64,997,250	0	0	/	/

II. Issuance and Listing of Securities

(I) Issuance of Securities Up to the Reporting Period

Applicable N/A

Explanation for securities issuance as of the reporting period (for bonds with different interest rates during the subsistence period, please explain separately):

Applicable N/A

(II) Changes in the Total Number of Shares and Shareholder Structure of the Company and Changes in the Company's Asset and Liability Structure

Applicable N/A

(III) Existing Internal Employee Shares

Applicable N/A

III. Shareholders and Actual Controllers

(I) Total Number of Shareholders

Total number of common shareholders as of the end of the reporting period (shareholder)	15,167
Total number of common shareholders as of the end of the month prior to the date of the annual report (shareholder)	16,980
Total number of preferred stockholders with voting rights restored as of the end of the reporting period (shareholder)	N/A
Total number of preferred stockholders with voting rights restored at the end of the month preceding the annual report disclosure date (shareholder)	N/A

(II) Shareholdings of top 10 shareholders and top 10 outstanding shareholders (or shareholders with unlimited rights to sell) as of the end of the reporting period

In Share

Shareholdings of the Top 10 Shareholders (Excluding Shares Lent through Transfer)							
Name of Shareholders (Full Name)	Increase/Decrease during the Reporting Period	Number of Shares Held at the End of the Period	Proportion (%)	Number of Shares Held under Limited Selling Conditions	Pledged, Marked or Frozen		Nature of Shareholders
					Shareholding Status	Number	
SHENG HUEI INTERNATIONAL CO. LTD.	0	64,997,250	65.00	0	None	0	Overseas legal person
Suzhou Songhuei Enterprise Management Consulting Partnership (Limited Partnership)	0	8,122,500	8.12	0	None	0	Other
Suzhou Shengzhan Enterprise Management Consulting Partnership (Limited Partnership)	565,500	1,314,750	1.31	0	None	0	Other

Shanghai Pudong Development Bank Co., Ltd. – GF Small-Cap Growth Hybrid Securities Investment Fund (LOF)	657,200	657,200	0.66	0	None	0	Other
China Construction Bank Corporation – Southern Innovation-Driven Hybrid Securities Investment Fund	435,800	435,800	0.44	0	None	0	Other
Bank of Beijing Co., Ltd. – Penghua Shuangzhai Jiali Bond Securities Investment Fund	352,000	352,000	0.35	0	None	0	Other
Xu Gang	340,000	340,000	0.34	0	None	0	Domestic natural person
China Construction Bank Corporation – GF Growth Leader One-Year Holding Hybrid Securities Investment Fund	314,300	314,300	0.31	0	None	0	Other
China Southern Fund Steady Value-Added Hybrid Pension Product – China Merchants Bank Co., Ltd.	251,100	251,100	0.25	0	None	0	Other
UBS AG	223,438	250,917	0.25	0	None	0	Overseas legal person
Shareholdings of the Top 10 Shareholders with Unlimited Sales Conditions (Excluding Shares Lent through Transfer)							
Name of Shareholders	Number of Shares Held in Circulation with Unlimited Selling Conditions	Type and Number of Shares					
		Type	Number				

SHENG HUEI INTERNATIONAL CO. LTD.	64,997,250	RMB ordinary shares	64,997,250
Suzhou Songhuei Enterprise Management Consulting Partnership (Limited Partnership)	8,122,500	RMB ordinary shares	8,122,500
Suzhou Shengzhan Enterprise Management Consulting Partnership (Limited Partnership)	1,314,750	RMB ordinary shares	1,314,750
Shanghai Pudong Development Bank Co., Ltd. – GF Small-Cap Growth Hybrid Securities Investment Fund (LOF)	657,200	RMB ordinary shares	657,200
China Construction Bank Corporation – Southern Innovation-Driven Hybrid Securities Investment Fund	435,800	RMB ordinary shares	435,800
Bank of Beijing Co., Ltd. – Penghua Shuangzhai Jiali Bond Securities Investment Fund	352,000	RMB ordinary shares	352,000
Xu Gang	340,000	RMB ordinary shares	340,000
China Construction Bank Corporation – GF Growth Leader One-Year Holding Hybrid Securities Investment Fund	314,300	RMB ordinary shares	314,300
China Southern Fund Steady Value-Added Hybrid Pension Product – China Merchants Bank Co., Ltd.	251,100	RMB ordinary shares	251,100
UBS AG	250,917	RMB ordinary shares	250,917
Description of buyback special accounts among the top 10 shareholders	None		
Explanation for the above shareholders' proxy voting rights, entrusted voting rights, and waiver of voting rights	None		
Description of the above shareholders' affiliation or concerted action	None		
Description of preferred stockholders whose voting rights have been restored and the number of shares they hold	None		

Note: Among the top 10 ordinary shareholders as of the end of the reporting period, the 4th, 5th, 6th, 7th, 8th, and 9th shareholders were not listed in the Company's top 200 shareholder register at the beginning of the reporting period. As the Company could not accurately obtain its shareholding data as of the beginning of the reporting period (i.e., December 31, 2024), their shareholding quantities at the beginning of the reporting period have been calculated as zero for the purposes of this report.

Participation of shareholders holding 5% or more, top 10 shareholders, and top 10 shareholders with unlimited sales conditions in lending of shares in the transfer and financing business

Applicable N/A

Changes in the top 10 shareholders and top 10 shareholders with unlimited sales conditions in lending/return of shares in the transfer and financing business compared with the prior period

Applicable N/A

Number of shares held by the top 10 shareholders with limited selling conditions and the conditions of limited selling

Applicable N/A

(III) Strategic Investors or General Corporations Becoming Top 10 Shareholders as a Result of Placing of New Shares

Applicable N/A

IV. Controlling Shareholders and Actual Controllers

(I) Controlling Shareholders

1. Legal person

Applicable N/A

Firm Name	SHENG HUEI INTERNATIONAL CO., LTD.
Person in Charge of the Organization or Legal Representative	Liang Jinli
Date of Establishment	July 15, 2003
Main Businesses	Equity investment
Equity Interests in Other Domestic and Overseas Listed Companies Held and Participated in during the Reporting Period	None
Other Information	None

2. Natural persons

Applicable N/A

3. Special Explanation for the absence of controlling shareholders of the Company

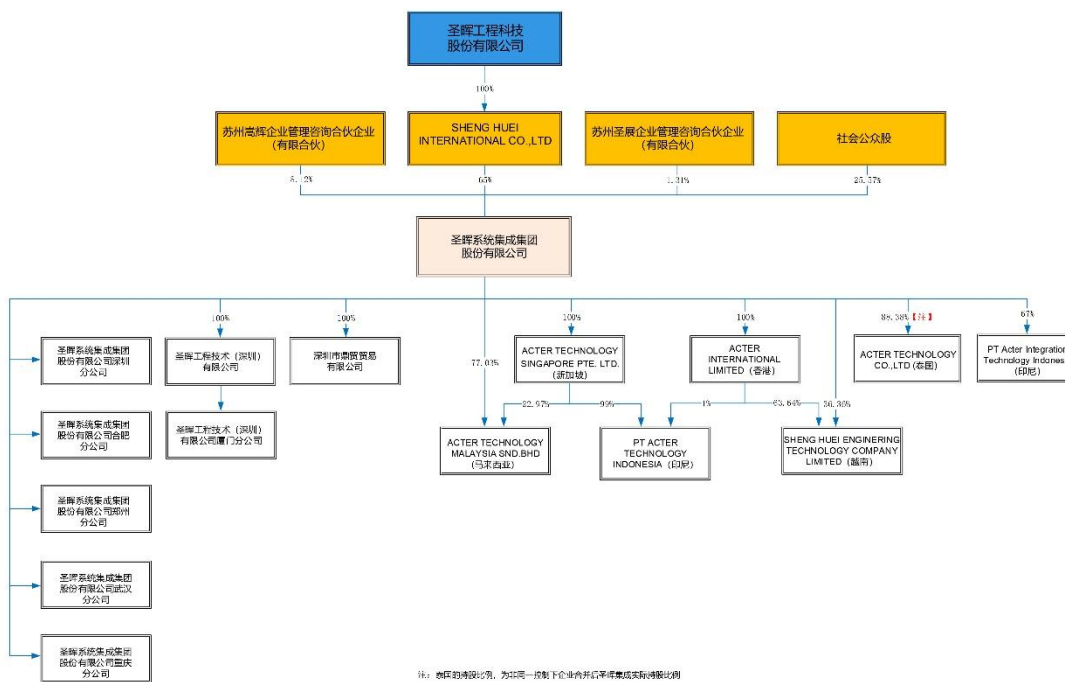
Applicable N/A

4. Explanation for the change of controlling shareholders during the reporting period

Applicable N/A

5. Block diagram of the ownership and control relationship between the Company and the controlling shareholders

Applicable N/A



(II) Situation of actual controllers

1. Legal person

Applicable N/A

2. Natural persons

Applicable N/A

3. Special explanation on the absence of actual controllers of the Company

Applicable N/A

4. Explanation for the change of control of the Company during the reporting period

Applicable N/A

5. Block diagram of the ownership and control relationship between the Company and the actual controller

Applicable N/A

6. Control of the Company by the actual controller through trust or other asset management methods

Applicable N/A

(III) Other Information of Controlling Shareholders and Actual Controllers

Applicable N/A

V. The Proportion of Shares Pledged by Controlling Shareholders or the Largest Shareholder and Persons Acting in Concert with Them to the Number of Shares Held by Them Reaches More than 80%

Applicable N/A

VI. Other Legal Shareholders Holding More than 10% of the Company's Shares

Applicable N/A

VII. Explanation for the Restriction on the Reduction of Shareholding

Applicable N/A

VIII. Specific Implementation of Share Buyback during the Reporting Period

Applicable N/A

IX. Preferred Stock

Applicable N/A

Section VII Relevant Information of Bonds

I. Enterprise Bonds (Including Corporate Bonds) and Debt Financing Instruments for Non-financial Enterprises

Applicable N/A

II. Convertible Corporate Bonds

Applicable N/A

Section XIII Financial Statements

I. Audit Report

Applicable N/A

Audit Report

XYZH/2026SUAA1B0027

Acter Technology Integration Group Co., Ltd.

To all shareholders of Acter Technology Integration Group Co., Ltd.,

I. Audit Opinion

We have audited the financial statements of Acter Technology Integration Group Co., Ltd., (hereinafter referred to as “Acter Group”), which comprise the consolidated balance sheet and the parent company’s balance sheet as of December 31, 2025, the consolidated profit statement and the parent company’s profit statement, the consolidated cash flow statement and the parent company’s cash flow statement, and the consolidated change statement in shareholders’ equities and the parent company’s change statement in shareholders’ equities for the year ended December 31, 2025, and the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Acter Group as of December 31, 2025, and the consolidated and parent company results of operations and cash flows for the year ended December 31, 2025, in conformity with the *Accounting Standards for Business Enterprises (ASBE)*.

II. Basis of Audit Opinion

We have performed our audit in accordance with the provisions of the *Standards on Auditing for Chinese Certified Public Accountants*. Our responsibilities under those standards are further described in the “Responsibilities of Certified Public Accountants for the Audit of Financial Statements” section of the audit report. In accordance with the independence requirements for financial statement audits of public interest entities as set out in the *Independence Standards for Chinese Certified Public Accountants* and the *Code of Ethics for Certified Public Accountants of the*

People's Republic of China, we are independent from Acter Group and have fulfilled our other responsibilities with respect to independence and professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are matters that, in our professional judgment, are of most significance to the audit of the financial statements. These matters are dealt with in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters separately.

1. Revenue recognition for construction contracts	
Please refer to the accounting policies described in “IV. Significant Accounting Policies and Accounting Estimates” 32 in the notes to the financial statements and “VI. Notes to the Financial Statements” 35 in the notes to the financial statements.	
Key Audit Matters	Audit Response
<p>Acter Group is mainly engaged in the design and construction of MEP related to clean room projects, and the revenue from construction contracts in FY2025 amounted to RMB 2,921,601,326.79, accounting for 97.76% of the operating revenue in the consolidated profit statement. Acter Group evaluated the terms of the contracts and business arrangements and concluded that construction contracts are performance obligations to be fulfilled within a certain period of time, and recognized revenue based on the progress of performance over the period of time in which the construction contracts are performed. The progress of performance is determined based on the proportion of actual contract costs incurred by Acter Group to the estimated total contract costs.</p>	<p>The audit procedures related to the evaluation of revenue recognition of construction contracts mainly include the following procedures:</p> <p>(1) Understanding and evaluating the design and operating effectiveness of key internal controls over financial reporting related to revenue recognition for construction contracts;</p> <p>(2) Selecting the construction contracts signed between Acter Group and its clients, examining the main terms of the contracts and evaluating whether the accounting policies of Acter Group for revenue recognition are in compliance with the requirements of the <i>Accounting Standards for Business Enterprises (ASBE)</i>;</p> <p>(3) Selecting construction contracts and examining the basis for the estimated total cost of the contracts and the related cost budget information. If there is any adjustment to the estimated total cost of the contract, check whether the adjustment to the estimated total cost has been approved and inquire the management about the reasons and basis for the adjustment to evaluate whether the estimation made by the</p>

1. Revenue recognition for construction contracts	
Please refer to the accounting policies described in “IV. Significant Accounting Policies and Accounting Estimates” 32 in the notes to the financial statements and “VI. Notes to the Financial Statements” 35 in the notes to the financial statements.	
Key Audit Matters	Audit Response
<p>The management of Acter Group is required to make reasonable judgments regarding the progress of completion or performance of construction contracts. During the course of execution of the contracts, Acter Group is required to continually evaluate and make adjustments to the contract amounts and estimated total contract costs, which involves the exercise of significant management judgments.</p> <p>Revenue is one of the key performance indicators of Acter Group, which gives rise to an inherent risk that the Company may manipulate revenue to achieve specific targets or expectations. Meanwhile, revenue recognition under construction contracts involves significant management judgments. Accordingly, we have identified revenue recognition from construction contracts as a key audit matter.</p>	<p>management is reasonable and based on sufficient information;</p> <p>(4) Selecting contract costs actually incurred during the reporting period and checking relevant supporting documents such as procurement contracts, purchase orders, material receipts, requisition ratios, invoices, etc. to evaluate the authenticity and accuracy of the actual construction costs;</p> <p>(5) Contract costs incurred around the balance sheet date are selected and reconciled to the relevant supporting documents, including purchase contracts, purchase orders, material receipts, requisition ratios, invoices, and other relevant supporting documents, in order to evaluate whether the relevant contract costs are recorded in the appropriate accounting period;</p> <p>(6) Selecting construction contracts that have not been completed at the end of the reporting period, reviewing the accuracy of the calculation of the percentage of completion or progress of performance, and recalculating the cumulative revenue recognized and the revenue to be recognized in the period, and reconciling them with the financial records;</p> <p>(7) Selecting clients and conducting correspondence regarding the amount of construction contracts and receivables signed between Acter Group and them during the reporting period.</p> <p>(8) Selecting construction contracts, checking the total costing sheet of the approved contract budget and the actual implementation of the budget during the reporting period, reviewing the difference between the total budgeted cost and the actual cost of completed contracts, and evaluating whether there is any indication of management bias;</p>

1. Revenue recognition for construction contracts	
Please refer to the accounting policies described in “IV. Significant Accounting Policies and Accounting Estimates” 32 in the notes to the financial statements and “VI. Notes to the Financial Statements” 35 in the notes to the financial statements.	
Key Audit Matters	Audit Response
	(9) Evaluating whether the revenue from construction contracts has been appropriately disclosed in the financial statements.

(Continued)

2. Evaluation of bad debt provision for accounts receivable	
Please refer to the accounting policies described in “IV. Significant Accounting Policies and Accounting Estimates” 13 in the notes to the financial statements and “VI. Notes to the Financial Statements” 4 in the notes to the financial statements.	
Key Audit Matters	Audit Response
<p>As of December 31, 2025, the original value of accounts receivable in the consolidated balance sheet of Acter Group was RMB 609,253,252.66 and the provision for bad debts was RMB 37,024,312.48. Based on the expected credit loss rate of accounts receivable, the management measured the bad debt provision for accounts receivable at an amount equivalent to the expected credit losses over the life of the accounts receivable.</p> <p>The expected credit loss rate takes into account the age of the accounts receivable, historical payment, current market conditions, and forward-looking information, and this assessment involves significant management judgment and estimates.</p>	<p>The audit procedures related to the evaluation of the bad debt provision for accounts receivable included the following procedures:</p> <p>(1) Understanding and evaluating the design and operating effectiveness of Acter Group’s key internal controls over financial reporting related to credit risk control, collection, and provisioning for bad debts;</p> <p>(2) Evaluating whether the accounting policy for bad debt provision of Acter Group for the reporting period complies with the requirements of enterprise accounting standards;</p> <p>(3) Evaluating the appropriateness of the aging of accounts receivable by selecting items from the accounts receivable aging table, reviewing relevant supporting documents, and taking into account the information on the credit periods granted by Acter Group to its clients;</p> <p>(4) Understanding the key parameters and assumptions used in Acter Group’s expected credit loss model, including management’s judgment on whether to group accounts receivable based on clients’ credit risk</p>

2. Evaluation of bad debt provision for accounts receivable	
Please refer to the accounting policies described in “IV. Significant Accounting Policies and Accounting Estimates” 13 in the notes to the financial statements and “VI. Notes to the Financial Statements” 4 in the notes to the financial statements.	
Key Audit Matters	Audit Response
	<p>characteristics and the historical loss data included in Acter Group’s expected loss ratio;</p> <p>(5) Evaluating the appropriateness of Acter Group’s estimate of expected credit losses by examining the information used by Acter Group to make the estimate, including examining the accuracy of the historical loss data, and evaluating whether management has adjusted the historical loss rate by taking into account the current market conditions and forward-looking information in determining the expected credit loss rate;</p> <p>(6) Recalculation of bad debt allowance as of December 31, 2025 based on the expected credit loss model of accounts receivable of Acter Group.</p>

(Continued)

3. Recognition of contract assets	
Please refer to the accounting policies described in “IV. Significant Accounting Policies and Accounting Estimates” 17 in the notes to the financial statements and “VI. Notes to the Financial Statements” 9 in the notes to the financial statements.	
Key Audit Matters	Audit Response
As of December 31, 2025, the original value of contract assets in the consolidated balance sheet of Acter Group was RMB 632,339,549.35 and the provision for bad debts was RMB 4,617,143.87. As the amount of contract assets is material and has a significant impact on the financial statements, we have identified contract assets as a key audit matter. The audit procedures relating to the evaluation of	<p>The audit procedures related to the evaluation of contract assets included the following procedures:</p> <p>(1) Understanding and evaluating the design of internal controls relating to the recognition of contract assets, and testing whether key internal controls have been effectively implemented;</p> <p>(2) Selecting significant projects, conducting interviews to understand the actual conditions of the projects, combining revenue recognition and</p>

3. Recognition of contract assets	
Please refer to the accounting policies described in “IV. Significant Accounting Policies and Accounting Estimates” 17 in the notes to the financial statements and “VI. Notes to the Financial Statements” 9 in the notes to the financial statements.	
Key Audit Matters	Audit Response
contract asset measurement mainly include the following procedures:	<p>accounts receivable confirmation procedures, and reviewing the amounts of contract assets by examining contract amounts and payment terms, bases for estimated total costs and relevant cost budget documents, project progress confirmations and other documents;</p> <p>(3) Selecting contract costs incurred around the balance sheet date and reconciling them to relevant supporting documents, including procurement contracts, purchase orders, material receipts, payment proportion schedules, invoices, and other relevant supporting documents, to evaluate whether relevant contract costs have been recorded in the appropriate accounting period;</p> <p>(4) Selecting incomplete construction contracts as of the end of the reporting period, reviewing the accuracy of the calculation of the percentage of completion or performance progress, recalculating the cumulative recognized revenue and the revenue to be recognized in the current period, and reconciling such amounts to the accounting records, with no discrepancies identified;</p>

IV. Other Information

The management of Acter Group (hereinafter referred to as the “management”) is responsible for the other information. Other information includes the information covered in the 2025 annual report of Acter Group, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, it is our responsibility to read the other information and, in doing so, to consider whether the other information is materially inconsistent with, or appears to be materially misstated in relation to, the financial statements or our knowledge gained in the course of the audit.

Based on the work we have performed, if we determine that other information is materially misstated, we shall report that fact. We have no matters to report in this regard.

V. Management's and Governance's Responsibility for the Financial Statements

The management is responsible for the preparation of financial statements that present fairly, in accordance with the provisions of the Ind AS, and for designing, implementing, and maintaining internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Acter Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and applying the going concern assumptions, unless management plans to liquidate Acter Group, discontinue operations or has no realistic alternative.

Governance is responsible for overseeing the financial reporting process of Acter Group.

VI. CPA's Responsibility for the Audit of Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are generally considered to be material if it is reasonable to expect that the misstatements, individually or in the aggregate, could affect the economic decisions of users of financial statements based on the financial statements.

We use professional judgment and maintain professional skepticism in performing the audit in accordance with auditing standards. We also perform the following tasks:

(1) Identifying and assessing the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures to address those risks, and obtain sufficient appropriate audit evidence as a basis for an audit opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error because fraud may involve collusion, forgery, willful omission, misrepresentation, or overriding

internal controls.

(2) Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, expressing an opinion on the effectiveness of internal control.

(3) Evaluating the appropriateness of accounting policies selected and the reasonableness of accounting estimates and related disclosures made by management.

(4) Expressing a conclusion on the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, we conclude whether there is a material uncertainty regarding the matters or circumstances that may cast significant doubt on the ability of Acter Group to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require that we draw the attention of users of the financial statements to the relevant disclosures in our audit report; if the disclosures are not sufficient, we shall express an unqualified opinion. Our conclusions are based on information available at the date of the audit report. However, future events or circumstances may cause Acter Group to be unable to continue as a going concern.

(5) Evaluating the overall presentation, structure and content of the financial statements and to evaluate whether the financial statements present fairly the related party transactions and events.

(6) Obtaining sufficient and appropriate audit evidence about the financial information of the entities or business activities of Acter Group to express an opinion on the financial statements. We are responsible for directing, supervising, and performing the audit of the Group and accept full responsibility for the audit opinion.

We communicate with governance on matters such as the scope, timing, and significant findings of the planned audit, including internal control deficiencies of concern identified in our audit.

We also provide governance with a statement of compliance with ethical requirements related to independence and communicate with governance all relationships and other matters that could reasonably be perceived to affect our independence, as well as related safeguards.

From the matters communicated with governance, we determined which matters were most significant to the audit of the current financial statements and therefore constituted key audit matters. We describe these matters in our audit report except where public disclosure of the matters is prohibited by law or regulation or, in rare circumstances, we determine that a matter shall not be communicated in the audit report if it is reasonably foreseeable that the adverse consequences of communicating the matter would outweigh the benefits to the public interest.

Chinese Certified Public Accountants:

ShineWing Certified Public Accountants

(Project Partner)

LLP

Chinese Certified Public Accountants:

Beijing, China

March 27, 2026

II. Financial Statements

Consolidated Balance Sheet

December 31, 2025

Prepared by: Acter Technology Integration Group Co., Ltd.

In RMB Yuan

Item	Notes	December 31, 2025	December 31, 2024
Current assets:			
Monetary fund		776,462,102.03	575,382,706.17
Provision for settlement fund			
Funds lent			
Trading financial assets			50,025,000.00
Derivative financial assets			
Bills receivable		14,984,752.50	27,398,673.04
Accounts receivable		572,228,940.18	362,233,577.57
Receivables financing		3,581,195.46	2,499,031.97
Prepayments		85,047,840.36	110,647,060.26
Bills receivable			
Reinsurance receivables			
Reserve for reinsurance contracts receivable			
Other receivables		10,399,844.12	9,824,375.86
Including: interest receivable			
Dividends receivable			
Financial assets purchased for resale			
Inventory		7,003,896.97	3,585,610.06
Including: data resource			
Contract assets		627,722,405.48	565,904,050.40
Assets held for sale			
Non-current assets due within one year			
Other current assets		132,302,932.48	121,512,159.50
Total current assets		2,229,733,909.58	1,829,012,244.83
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investment		2,421,125.42	2,342,859.23
Investments in other equity instruments		14,523,380.46	12,947,918.04
Other non-current financial assets			
Investment properties		1,865,182.18	531,707.64
Fixed assets		59,703,226.02	56,924,292.01
Construction in progress		-	2,577,156.79
Productive biological assets			
Oil and gas assets			
Right-of-use assets		4,247,874.96	4,064,612.80
Intangible assets		7,473,299.32	7,693,073.36
Including: data resource			
Development expenditure			

Including: data resource			
Goodwill			
Long-term unamortized expenses			
Deferred tax assets		18,987,559.65	12,755,515.14
Other non-current assets		20,995,760.63	23,661,503.85
Total non-current assets		130,217,408.64	123,498,638.86
Total assets		2,359,951,318.22	1,952,510,883.69
Current liabilities:			
Short-term loan		46,106,867.32	23,866,103.44
Borrowing from the central bank			
Funds borrowed			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		848,078,358.80	598,788,193.06
Receipts in advance			
Contract liabilities		123,075,413.44	88,601,839.41
Amounts for sale and buyback of financial assets			
Deposit-taking and interbank deposits			
Securities trading agency			
Underwriting of securities			
Payroll payable		55,268,012.27	41,972,766.98
Tax payable		27,347,923.11	15,374,255.49
Other payables		24,903,726.87	24,647,083.82
Including: interest payable			
Dividends payable			
Fees and commissions payable			
Sub-insurance payable			
Liabilities held for sale			
Non-current liabilities due within one year		1,894,011.34	2,421,048.35
Other current liabilities			
Total current liabilities		1,126,674,313.15	795,671,290.55
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings			
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities		1,499,843.57	1,585,929.64
Long-term accounts payable			
Long-term payroll payable		84,420.86	65,569.85
Estimated liabilities		12,951,146.25	11,183,840.39
Deferred income			
Deferred tax liabilities		29,287,330.01	17,711,782.30
Other non-current liabilities			
Total non-current liabilities		43,822,740.69	30,547,122.18
Total liabilities		1,170,497,053.84	826,218,412.73

Owners' equity (or shareholders' equity)			
Paid-in capital (or capital stock)		100,000,000.00	100,000,000.00
Other equity instruments			
Including: preferred stock			
Perpetual bond			
Capital reserves		562,632,775.45	562,632,775.45
Less: treasury stock			
Other comprehensive income		-8,568,151.93	-2,502,891.67
Special reserves		43,710,985.63	44,175,259.38
Earned surplus		53,063,723.06	45,818,775.40
Provision for general risks			
Undistributed profits		417,612,476.10	360,311,280.65
Total owners' equity (or shareholders' equity) attributable to the parent company		1,168,451,808.31	1,110,435,199.21
Minority interest		21,002,456.07	15,857,271.75
Total owners' equity (or shareholders' equity)		1,189,454,264.38	1,126,292,470.96
Total liabilities and owners' equity (or shareholders' equity)		2,359,951,318.22	1,952,510,883.69

Director of the Company: Liang
Jinli

Person in charge of accounting:
Zhu Qihua

Director of the accounting firm:
Xiao Jingxia

Balance Sheet of the Parent Company

December 31, 2025

Prepared by: Acter Technology Integration Group Co., Ltd.

In RMB Yuan

Item	Notes	December 31, 2025	December 31, 2024
Current assets:			
Monetary fund		437,982,801.21	380,432,761.39
Trading financial assets			50,025,000.00
Derivative financial assets			
Bills receivable		8,802,413.62	22,280,273.04
Accounts receivable		371,227,331.54	253,020,398.64
Receivables financing		3,581,195.46	2,499,031.97
Prepayments		46,697,305.77	30,799,227.20
Other receivables		20,160,353.84	40,526,268.65
Including: interest receivable			
Dividends receivable			
Inventory		2,385,353.18	3,585,610.06
Including: data resource			
Contract assets		510,910,460.83	434,173,370.14
Assets held for sale			
Non-current assets due within one year			
Other current assets		53,909,146.96	47,671,752.21
Total current assets		1,455,656,362.41	1,265,013,693.30
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investment		129,112,645.74	129,112,645.74
Investments in other equity instruments		14,523,380.46	12,947,918.04
Other non-current financial assets		-	
Investment properties		1,865,182.18	531,707.64
Fixed assets		56,791,140.50	54,401,188.46
Construction in progress			2,577,156.79
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,331,752.92	1,568,748.83
Intangible assets		7,469,614.32	7,677,609.57
Including: data resource			
Development expenditure			
Including: data resource			
Goodwill			
Long-term unamortized expenses			
Deferred tax assets		7,580,384.43	7,129,206.99
Other non-current assets		6,468,622.64	18,335,783.47
Total non-current assets		225,142,723.19	234,281,965.53
Total assets		1,680,799,085.60	1,499,295,658.83
Current liabilities:			
Short-term loan			
Trading financial liabilities			

Derivative financial liabilities			
Notes payable			
Accounts payable		631,023,815.49	497,199,486.43
Receipts in advance			
Contract liabilities		83,964,140.01	30,810,177.25
Payroll payable		40,593,168.25	32,084,942.60
Tax payable		2,729,410.96	803,928.13
Other payables		2,041,777.74	2,008,316.98
Including: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		686,422.75	1,348,687.81
Other current liabilities			
Total current liabilities		761,038,735.20	564,255,539.20
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities		686,261.79	598,144.48
Long-term accounts payable			
Long-term payroll payable			
Estimated liabilities		7,852,747.35	6,745,749.68
Deferred income			
Deferred tax liabilities		199,762.99	235,312.43
Other non-current liabilities			
Total non-current liabilities		8,738,772.13	7,579,206.59
Total liabilities		769,777,507.33	571,834,745.79
Owners' equity (or shareholders' equity)			
Paid-in capital (or capital stock)		100,000,000.00	100,000,000.00
Other equity instruments		-	
Including: preferred stock			
Perpetual bond			
Capital reserves		564,223,330.95	564,223,330.95
Less: treasury stock			
Other comprehensive income		-476,610.48	-2,052,072.90
Special reserves		35,946,862.37	36,411,136.12
Earned surplus		53,063,723.06	45,818,775.40
Undistributed profits		158,264,272.37	183,059,743.47
Total owners' equity (or shareholders' equity)		911,021,578.27	927,460,913.04
Total liabilities and owners' equity (or shareholders' equity)		1,680,799,085.60	1,499,295,658.83

Director of the Company: Liang Jinli

Person in charge of accounting: Zhu Qihua

Director of the accounting firm: Xiao Jingxia

Consolidated Income Statement

January-December 2025

In RMB Yuan

Item	Notes	2025	2024
I. Total Operating Revenue		2,988,504,733.21	2,007,697,317.98
Including: operating revenue		2,988,504,733.21	2,007,697,317.98
Interest income		-	-
Earned premiums		-	-
Fee and commission income		-	-
II. Total Operating Costs		2,774,005,403.17	1,850,375,680.04
Including: operating cost		2,682,042,853.54	1,755,007,424.22
Interest expenses			
Handling fee and commission expenses			
Surrender premiums			
Net claims expenses			
Net withdrawal of insurance liability reserve			
Policy dividend expense			
Reinsurance expenses			
Taxes and surcharges		4,861,192.07	3,455,150.25
Sales expenses		5,301,670.67	6,781,770.06
Administrative expenses		66,142,614.00	62,519,012.85
R&D expenses		31,250,454.73	33,529,705.96
Finance costs		-15,593,381.84	-10,917,383.30
Including: Interest expense		3,308,843.65	1,902,046.69
Interest income		9,815,274.04	9,191,452.30
Add: other gains		227,523.20	433,289.18
Investment income (loss denoted by "-")		958,818.27	814,005.65
Including: Investment income from associates and joint		-	-
Gain on derecognition of financial assets measured at amortized cost			
Foreign exchange gains (loss denoted by "-")		-	-
Gain on net open hedges (loss denoted by "-")		-	-
Gain on change in fair value (loss denoted by "-")		-25,000.00	25,000.00
Credit impairment loss (loss denoted by "-")		-11,813,453.19	2,207,755.91
Impairment loss on assets (loss denoted by "-")		5,508,369.40	-6,812,588.09
Gain on disposal of assets (loss denoted by "-")		449,638.47	98,152.04
III. Operating Profit (loss denoted by "-")		209,805,226.19	154,087,252.63
Add: non-operating revenue		602,379.74	37,943.24
Less: non-operating expenses		1,115,103.39	365,007.19
IV. Total Profit (total loss denoted by "-")		209,292,502.54	153,760,188.68
Less: income tax expense		49,281,751.34	36,650,409.77
V. Net Profit (net loss denoted by "-")		160,010,751.20	117,109,778.91

(I) Classification by continuity of operations			
1. Net profit from continuing operations (net loss denoted by "-")		160,010,751.20	117,109,778.91
2. Net profit from discontinued operations (net loss denoted by "-")			
(II) Classification by ownership attribution			
1. Net profit attributable to shareholders of the parent company (net loss denoted by "-")		154,546,143.11	114,402,314.36
2. Gains and losses of minority shareholders (net loss denoted by "-")		5,464,608.09	2,707,464.55
VI. Other Comprehensive Income, Net of Tax		-6,384,684.03	-5,780,309.56
(I) other comprehensive income attributable to owners of the parent company, net of taxes		-6,065,260.26	-5,821,039.28
1. Other comprehensive income that cannot be reclassified to profit or loss		1,579,308.36	-2,064,563.03
(1) Remeasurement of changes in defined benefit plans		3,845.94	-12,490.13
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
(3) Changes in fair value of investments in other equity instruments		1,575,462.42	-2,052,072.90
(4) Changes in fair value of own credit risk			
2. Other comprehensive income to be reclassified to profit or loss		-7,644,568.62	-3,756,476.25
(1) Other comprehensive income available for reclassification to profit or loss under the equity method			
(2) Changes in fair value of other debt instruments			
(3) Reclassification of financial assets to other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedge reserve			
(6) Translation difference of foreign currency financial statements		-7,644,568.62	-3,756,476.25
(7) Others			
(II) Other comprehensive income attributable to minority shareholders, net of taxes		-319,423.77	40,729.72
VII. Total Comprehensive Income		153,626,067.17	111,329,469.35
(I) Total comprehensive income attributable to owners of the parent company		148,480,882.85	108,581,275.08
(II) Total comprehensive income attributable to minority shareholders		5,145,184.32	2,748,194.27
VIII. Earnings per Share:			
(I) Basic earnings per share (RMB Yuan/share)		1.55	1.14

(II) Diluted earnings per share (RMB Yuan/share)		1.55	1.14
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In the event of a business combination under the same control during the current period, the net profit realized by the party to be merged before the merger was RMB 0. The net profit realized by the party to be merged in the prior period was RMB 0.

Director of the Company: Liang Jinli Person in charge of accounting: Zhu Qihua Director of the accounting firm: Xiao Jingxia

Income Statement of the Parent Company

January-December 2025

In RMB Yuan

Item	Notes	2025	2024
I. Operating Revenue		1,625,096,104.95	1,262,326,181.62
Less: operating cost		1,491,445,839.93	1,129,673,762.04
Taxes and surcharges		4,377,822.95	3,100,212.09
Sales expenses		3,019,677.65	3,028,310.28
Administrative expenses		38,312,129.93	38,586,761.64
R&D expenses		31,250,454.73	33,529,705.96
Finance costs		-4,473,484.24	-6,843,699.37
Including: interest expense		92,660.25	122,518.97
Interest income		5,669,855.88	6,782,505.00
Add: other gains		215,589.26	366,259.15
Investment income (loss denoted by "-")		15,921,643.19	9,787,838.84
Including: Investment income from associates and joint		-	
Gain on derecognition of financial assets measured at amortized cost			
Gain on net open hedges (loss denoted by "-")		-	
Gain on change in fair value (loss denoted by "-")		-25,000.00	25,000.00
Credit impairment loss (loss denoted by "-")		-3,259,901.74	6,354,192.97
Impairment loss on assets (loss denoted by "-")		4,538,508.63	-5,578,254.36
Gain on disposal of assets (loss denoted by "-")		448,514.18	49,525.62
II. Operating Profit (loss denoted by "-")		79,003,017.52	72,255,691.20
Add: non-operating revenue		472,863.43	7,993.84
Less: non-operating expenses		510,410.78	349,457.90
III. Total Profit (total loss denoted by "-")		78,965,470.17	71,914,227.14
Less: income tax expense		6,515,993.61	8,739,486.94
IV. Net Profit (net loss denoted by "-")		72,449,476.56	63,174,740.20
(I) Net profit from continuing operations (net loss denoted by "-")		72,449,476.56	63,174,740.20
(II) Net profit from discontinued operations (net loss denoted by "-")			
V. Other Comprehensive Income, Net of Tax		1,575,462.42	-2,052,072.90
(I) Other comprehensive income that cannot be reclassified to profit or loss		1,575,462.42	-2,052,072.90
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
3. Changes in fair value of investments in other equity		1,575,462.42	-2,052,072.90

4. Change in fair value of own credit risk			
(II) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income that can be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Translation differences on foreign currency financial statements			
7. Others			
VI. Total Comprehensive Income		74,024,938.98	61,122,667.30
VII. Earnings per Share:			
(I) Basic earnings per share (RMB Yuan/share)			
(II) Diluted earnings per share (RMB Yuan/share)			

Director of the Company: Liang
Jinli

Person in charge of accounting:
Zhu Qihua

Director of the accounting firm:
Xiao Jingxia

Consolidated Cash Flow Statement
January-December 2025

In RMB Yuan

Item	Notes	2025	2024
I. Cash Flows from Operating Activities:			
Cash received from sales of goods and rendering of services		2,400,715,260.52	2,066,354,453.31
Net increase in client deposits and deposits from other banks			
Net increase in borrowings from the central bank			
Net increase in borrowings from other financial institutions			
Cash received from premiums for primary insurance contracts			
Net cash received from reinsurance business			
Net increase in policyholders' deposits and investment funds			
Cash received from interest, fees, and commissions			
Net increase in funds received			
Net increase in buyback transactions			
Net cash received from securities trading			
Tax rebates received		33,753,434.73	24,266,329.55
Cash received from other operating activities		17,183,243.15	28,677,150.09
Subtotal of cash inflow from operating activities		2,451,651,938.40	2,119,297,932.95
Cash paid for goods and services		2,035,956,348.47	1,889,084,764.24
Net increase in loans and advances to clients			
Net increase in deposits with central banks and interbanks			
Cash paid for original insurance contract claims			
Net increase in funds withdrawn			
Cash paid for interest, fees, and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		137,749,554.83	139,290,057.43
Taxes paid		94,579,287.97	52,768,919.68
Cash paid for other operating activities		39,201,586.60	41,862,341.40
Subtotal of cash outflow from operating activities		2,307,486,777.87	2,123,006,082.75
Net cash flows from operating activities		144,165,160.53	-3,708,149.80
II. Cash Flows from Investing Activities:			
Cash received from recovery of investments		305,000,000.00	272,000,000.00

Cash received from investment income		1,867,803.53	908,884.79
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets		371,679.94	185,947.08
Net cash received from the disposal of subsidiaries and other operating units			
Cash received from other investing activities			
Subtotal of cash inflow from investing activities		307,239,483.47	273,094,831.87
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		7,768,008.41	14,410,135.46
Cash paid for investment		255,000,000.00	336,999,999.94
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business units			
Cash paid for other investing activities			
Subtotal of cash outflow from investing activities		262,768,008.41	351,410,135.40
Net cash flows from investing activities		44,471,475.06	-78,315,303.53
III. Cash Flows from Financing Activities:			
Cash received from investment absorption			5,401,529.09
Including: Cash received by subsidiaries from minority investments			5,401,529.09
Cash received from loans		158,632,846.46	23,530,223.00
Cash received from other financing activities		49,923,087.26	53,586,215.59
Subtotal of cash inflow from financing activities		208,555,933.72	82,517,967.68
Cash paid for debt repayment		135,602,649.39	363,860.00
Cash paid for distribution of dividends, profits or repayment of interest		91,761,152.65	80,284,876.55
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Cash paid for other financing activities		59,056,983.16	59,042,712.16
Subtotal of cash outflow from financing activities		286,420,785.20	139,691,448.71
Net cash flows from fund-raising activities		-77,864,851.48	-57,173,481.03
IV. Impact of Exchange Rate Changes on Cash and Cash Equivalents			
		1,457,205.85	4,096,193.44
V. Net Increase in Cash and Cash Equivalents			
		112,228,989.96	-135,100,740.92

Add: cash and cash equivalents balance at beginning of period		574,895,982.11	709,996,723.03
VI. Cash and Cash Equivalents at the End of the Period		687,124,972.07	574,895,982.11

Director of the Company: Liang
Jinli

Person in charge of accounting:
Zhu Qihua

Director of the accounting firm:
Xiao Jingxia

Cash flow Statement of the Parent Company
January-December 2025

In RMB Yuan

Item	Notes	2025	2024
I. Cash Flows from Operating Activities:			
Cash received from sales of goods and rendering of services		1,088,937,319.64	1,314,384,391.28
Tax rebates received		2,036,955.40	20,949,749.59
Cash received from other operating activities		8,789,511.35	14,137,521.18
Subtotal of cash inflow from operating activities		1,099,763,786.39	1,349,471,662.05
Cash paid for goods and services		966,989,560.80	1,171,316,565.82
Cash paid to and for employees		89,419,240.56	98,868,327.73
Taxes paid		32,525,601.48	22,869,036.91
Cash paid for other operating activities		38,586,746.74	35,203,084.77
Subtotal of cash outflow from operating activities		1,127,521,149.58	1,328,257,015.23
Net cash flows from operating activities		-27,757,363.19	21,214,646.82
II. Cash Flows from Investing Activities:			
Cash received from recovery of investments		305,881,433.21	250,000,000.00
Cash received from investment income		15,093,095.97	9,823,263.66
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets		355,013.27	106,847.09
Net cash received from the disposal of subsidiaries and other operating units			
Cash received from other investing activities			
Subtotal of cash inflow from investing activities		321,329,542.45	259,930,110.75
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		6,736,619.32	13,075,164.41
Cash paid for investment		255,000,000.00	314,999,999.94
Net cash paid for acquisition of subsidiaries and other business units			40,627,356.41
Cash paid for other investing activities			
Subtotal of cash outflow from investing activities		261,736,619.32	368,702,520.76
Net cash flows from investing activities		59,592,923.13	-108,772,410.01
III. Cash Flows from Financing Activities:			
Cash received from investment absorption			
Cash received from loans			

Cash received from other financing activities		28,482,750.68	14,808,512.29
Subtotal of cash inflow from financing activities		28,482,750.68	14,808,512.29
Cash paid for debt repayment			
Cash paid for distribution of dividends, profits or repayment of interest		90,000,000.00	80,000,000.00
Cash paid for other financing activities		780,942.90	29,250,223.75
Subtotal of cash outflow from financing activities		90,780,942.90	109,250,223.75
Net cash flows from fund-raising activities		-62,298,192.22	-94,441,711.46
IV. Impact of Exchange Rate Changes on Cash and Cash Equivalents		-861,918.79	310,148.42
V. Net Increase in Cash and Cash Equivalents		-31,324,551.07	-181,689,326.23
Add: cash and cash equivalents balance at beginning of period		380,408,402.32	562,097,728.55
VI. Cash and Cash Equivalents at the End of the Period		349,083,851.25	380,408,402.32

Director of the Company:
Liang Jinli

Person in charge of accounting:
Zhu Qihua

Director of the accounting firm:
Xiao Jingxia

Consolidated Statement of Changes in Owners' Equity
January-December 2025

In RMB Yuan

Item	2025													Minority Interest	Total of Owner's Equities
	Owner's Equities Attributable to Parent Company														
	Paid-in Capital (or Capital Stock)	Other Equity Instruments			Capital Reserves	Less: Treasury Stock	Other Comprehensive Income	Special Reserves	Earned Surplus	Provision for General Risks	Undistributed Profits	Others	Subtotal		
	Preferred Stock	Perpetual Bond	Others												
I. Closing Balance of the Prior Year	100,000,000.00				562,632,775.45		-2,502,891.67	44,175,259.38	45,818,775.40		360,311,280.65		1,110,435,199.21	15,857,271.75	1,126,292,470.96
Add: change in accounting policy															
Correction of prior-period errors															
Others															
II. Opening Balance for the Year	100,000,000.00				562,632,775.45		-2,502,891.67	44,175,259.38	45,818,775.40		360,311,280.65		1,110,435,199.21	15,857,271.75	1,126,292,470.96
III. Increases/Decreases in the Period (decrease denoted by "-")							-6,065,260.26	-464,273.75	7,244,947.66		57,301,195.45		58,016,609.10	5,145,184.32	63,161,793.42
(I) Total comprehensive income							-6,065,260.26				154,546,143.11		148,480,882.85	5,145,184.32	153,626,067.17
(II) Owners' inputs and capital reduction															
1. Ordinary shares invested by owners															
2. Contribution of capital by holders of other equity instruments															

3. Share-based payments recognized in owners' equity															
4. Others															
(III) Profit distribution								7,244,947.66		-97,244,947.66			-90,000,000.00		-90,000,000.00
1. Withdrawal of surplus reserves								7,244,947.66		-7,244,947.66			-		-
2. Provision for general risks													-		-
3. Distribution to owners (or shareholders)										-90,000,000.00			-90,000,000.00		-90,000,000.00
4. Others													-		-
(IV) Internal transfer of ownership interest															
1. Capitalization of capital surplus to capital (or capital stock)															
2. Transfer of surplus reserves to capital (or capital stock)															
3. Surplus reserves to cover losses															
4. Amount of changes in defined benefit plan carried forward to retained earnings															
5. Other comprehensive income Transfer of other comprehensive income to retained earnings															
6. Others															

(V) Special reserves								-					-		
								464,27					464,273.		-464,273.75
								3.75					75		
1. Amount withdrawn the period													-		-
2. Amount used in the period								464,27					464,273.		464,273.75
								3.75					75		
(VI) Others															
IV. Closing Balance of the Period	100,00			562,63		-	43,710,	53,063,		417,61		1,168,45	21,002,45	1,189,454,26	
	0,000.0		2,775.4		8,568,1	51.93	985.63	723.06		2,476.1		1,808.31	6.07	4.38	
	0		5							0					

Item	2024													Minority Interest	Total of Owner's Equities
	Owner's Equities Attributable to Parent Company														
	Paid-in Capital (or Capital Stock)	Other Equity Instruments			Capital Reserves	Less: Treasury Stock	Other comprehensive Income	Special Reserves	Earned Surplus	Provision for General Risks	Undistributed Profits	Others	Subtotal		
	Preferred Stock	Perpetual Bond	Others												
I. Closing Balance of the Prior Year	100,000,000.00				562,632,775.45		3,318,147.61	44,578,849.52	39,501,301.38		332,226,440.31		1,082,257,514.27	7,707,548.39	1,089,965,062.66
Add: change in accounting policy															
Correction of prior-period errors															
Others															
II. Opening Balance for the Year	100,000,000.00				562,632,775.45		3,318,147.61	44,578,849.52	39,501,301.38		332,226,440.31		1,082,257,514.27	7,707,548.39	1,089,965,062.66
III. Increases/Decreases in the Period (decrease denoted by "-")															
(I) Total Comprehensive Income															
(II) Owners' inputs and capital reduction															
1. Ordinary shares invested by owners															
2. Contribution of capital by holders of other equity instruments															
3. Share-based payments recognized in owners' equity															
4. Others															

(III) Profit distribution									6,317,474.02		- 86,317,474.02		- 80,000,000.00		- 80,000,000.00
1. Withdrawal of surplus reserves									6,317,474.02		- 6,317,474.02				
2. Provision for general risks															
3. Distribution to owners (or shareholders)											- 80,000,000.00		- 80,000,000.00		- 80,000,000.00
4. Others													-		
(IV) Internal transfer of ownership interest									-	-	-	-	-		
1. Capitalization of capital surplus to capital (or capital stock)													-		
2. Transfer of surplus reserves to capital (or capital stock)													-		
3. Surplus reserves to cover losses													-		
4. Amount of changes in defined benefit plan carried forward to retained earnings													-		
5. Other comprehensive income Transfer of other comprehensive income to retained earnings													-		
6. Others													-		
(V) Special reserves									- 403,590.14				- 403,590.14		- 403,590.14
1. Amount withdrawn the period													-		-
2. Amount used in the period									403,590.14				403,590.14		403,590.14

(VI) Others													-		-
IV. Closing Balance of the Period	100,000,000.00				562,632,775.45	-2,502,891.67	44,175,259.38	45,818,775.40		360,311,280.65			1,110,435,199.21	15,857,271.75	1,126,292,470.96

Director of the Company: Liang Jinli

Person in charge of accounting: Zhu Qihua

Director of the accounting firm: Xiao Jingxia

Statement of Changes in Equity of the Parent Company
January-December 2025

In RMB Yuan

Item	2025										
	Paid-in Capital (or Capital Stock)	Other Equity Instruments			Capital Reserves	Less: Treasury Stock	Other comprehensive Income	Special Reserves	Earned Surplus	Undistributed Profits	Total of Owner's Equities
		Preferred Stock	Perpetual Bond	Others							
I. Closing Balance of the Prior Year	100,000,00 0.00				564,223,33 0.95		- 2,052,072. 90	36,411,136 .12	45,818,77 5.40	183,059,7 43.47	927,460,91 3.04
Add: change in accounting policy											
Correction of prior-period errors											
Others											
II. Opening Balance for the Year	100,000,00 0.00				564,223,33 0.95		- 2,052,072. 90	36,411,136 .12	45,818,77 5.40	183,059,7 43.47	927,460,91 3.04
III. Increases/Decreases in the Period (decrease denoted by "-" - ")							1,575,462. 42	- 464,273.75	7,244,947. 66	- 24,795,47 1.10	- 16,439,334 .77
(I) Total comprehensive income							1,575,462. 42			72,449,47 6.56	74,024,938 .98
(II) Owners' inputs and capital reduction											
1. Ordinary shares invested by owners											
2. Contribution of capital by holders of other equity instruments											
3. Share-based payments recognized in owners' equity											
4. Others											
(III) Profit distribution									7,244,947. 66	- 97,244,94 7.66	- 90,000,000 .00
1. Withdrawal of surplus reserves									7,244,947. 66	- 7,244,947. 66	-

2. Distribution to owners (or shareholders)											-	-
											90,000,00	90,000,000
											0.00	.00
3. Others												
(IV) Internal transfer of ownership interest												
1. Capitalization of capital surplus to capital (or capital stock)												
2. Transfer of surplus reserves to capital (or capital stock)												
3. Surplus reserves to cover losses												
4. Amount of changes in defined benefit plan carried forward to retained earnings												
5. Other comprehensive income Transfer of other comprehensive income to retained earnings												
6. Others												
(V) Special reserves												
											-	-
											464,273.75	464,273.75
1. Amount withdrawn the period												
2. Amount used in the period												
(VI) Others												
IV. Closing Balance of the Period	100,000,00				564,223,33						-	-
	0.00				0.95						476,610.4	35,946,862
											8	.37
											53,063,72	158,264,2
											3.06	72.37
												911,021,57
												8.27

2025 Annual Report of Acter Technology Integration Group Co., Ltd.

Item	2024										
	Paid-in Capital (or Capital Stock)	Other Equity Instruments			Capital Reserves	Less: Treasury Stock	Other Comprehensive Income	Special Reserves	Earned Surplus	Undistributed Profits	Total of Owner's Equities
		Preferred Stock	Perpetual Bond	Others							
I. Closing Balance of the Prior Year	100,000,00 0.00				564,223,33 0.95			36,814,726 .26	39,501,30 1.38	206,202,4 77.29	946,741,83 5.88
Add: change in accounting policy											
Correction of prior-period errors											
Others											
II. Opening Balance for the Year	100,000,00 0.00				564,223,33 0.95			36,814,726 .26	39,501,30 1.38	206,202,4 77.29	946,741,83 5.88
III. Increases/Decreases in the period (decrease denoted by "-")							- 2,052,072. 90	- 403,590.14	6,317,474. 02	- 23,142,73 3.82	- 19,280,922 .84
(I) Total comprehensive income							- 2,052,072. 90			63,174,74 0.20	61,122,667 .30
(II) Owners' inputs and capital reduction											
1. Ordinary shares invested by owners											
2. Contribution of capital by holders of other equity instruments											
3. Share-based payments recognized in owners' equity											
4. Others											
(III) Profit distribution									6,317,474. 02	- 86,317,47 4.02	- 80,000,000 .00
1. Withdrawal of surplus reserves									6,317,474. 02	- 6,317,474. 02	-
2. Distribution to owners (or shareholders)										- 80,000,00 0.00	- 80,000,000 .00
3. Others											-

(IV) Internal transfer of ownership interest									-	-	-
1. Capitalization of capital surplus to capital (or capital stock)											
2. Transfer of surplus reserves to capital (or capital stock)											
3. Surplus reserves to cover losses											
4. Amount of changes in defined benefit plan carried forward to retained earnings											
5. Other comprehensive income Transfer of other comprehensive income to retained earnings											
6. Others											
(V) Special reserves								-			-
1. Amount withdrawn the period								403,590.14			403,590.14
2. Amount used in the period								403,590.14			403,590.14
(VI) Others											
IV. Closing Balance of the Period	100,000,00 0.00				564,223,33 0.95		- 2,052,072. 90	36,411,136 .12	45,818,77 5.40	183,059,7 43.47	927,460,91 3.04

Director of the Company: Liang Jinli

Person in charge of accounting: Zhu Qihua

Director of the accounting firm: Xiao Jingxia

III. Basic Information of the Company

1. Company profile

Applicable N/A

Acter Technology Integration Group Co., Ltd. (the “Company”), formerly known as Sheng Huei (Suzhou) Engineering Co., Ltd. (“Sheng Huei Limited”), was incorporated on September 3, 2003 in Suzhou City, Jiangsu Province. At the time of its establishment, the Company's initial registered capital was USD 450,000. After a series of capital increases, as of December 31, 2017, the registered capital of Sheng Huei Limited was USD 7,980,000, and the sole shareholder of Sheng Huei Limited was SHENG HUEI INTERNATIONAL CO., Ltd.

In January 2018, Sheng Huei International increased the capital of Sheng Huei Limited, and the registered capital was increased from USD 7,980,000 to USD 9,030,000. In May 2018, Acter Group entered into an equity transfer agreement with Suzhou Songhuei Enterprise Management Consulting Partnership (Limited Partnership) (“Suzhou Songhuei”) and Suzhou Shengzhan Management Consulting Partnership (Limited Partnership) (“Suzhou Shengzhan”). Pursuant to the agreement, Acter Group agreed to transfer the corresponding registered capital of Sheng Huei Limited of USD 977,918 and USD 226,430 held by Sheng Huei Limited to Suzhou Songhuei and Suzhou Shengzhan at RMB 14,282,400.00 and RMB 3,306,600.00 respectively. After the completion of the above transactions, the registered capital of Sheng Huei Limited is USD 9,030,000 and the equity structure is as follows:

No.	Shareholder	Amount of Investment (USD 10,000)	Shareholding Ratio (%)
1	Sheng Huei International	782.5679	86.6630
2	Suzhou Songhuei	97.7918	10.8300
3	Suzhou Shengzhan	22.6403	2.5070
Total		903.0000	100.0000

In June 2019, all investors of Sheng Huei Limited entered into a promoter agreement, agreeing to change the whole of Sheng Huei Limited into a joint stock limited company and rename it as “Acter Technology Integration Group Co., Ltd.”. All the investors converted the net assets of Sheng Huei Limited as of April 30, 2019 into 60,000,000.00 shares with a par value of RMB 1 each. The shareholding structure after the overall change is as follows:

No.	Shareholder	Capital Stock (RMB Yuan)	Shareholding Ratio (%)
1	Sheng Huei International	51,997,800.00	86.6630
2	Suzhou Songhuei	6,498,000.00	10.8300
3	Suzhou Shengzhan	1,504,200.00	2.5070
Total		60,000,000.00	100.0000

On August 23, 2022, the Company applied for the IPO of A shares of not more than 20,000,000.00 shares by CSRC (*Official Reply to the Approval of the IPO of Acter Technology Integration Group Co., Ltd.*) (Z.J.X.K. No. [2022] 1915), which was approved by the CSRC. As of December 31, 2022, the Company had received the monetary funds obtained through the public offering of A shares, of which the paid-in capital (share capital) amounted to RMB 20 million (SAY RMB TWENTY MILLION Only).

No.	Shareholder	Capital sTock (RMB Yuan)	Shareholding Ratio (%)
1	Sheng Huei International	51,997,800.00	64.9973
2	RMB ordinary shares (A shares) shareholders	20,000,000.00	25.0000
3	Suzhou Songhuei	6,498,000.00	8.1225
4	Suzhou Shengzhan	1,504,200.00	1.8803

No.	Shareholder	Capital sTock (RMB Yuan)	Shareholding Ratio (%)
Total		80,000,000.00	100.0000

Pursuant to the resolution of the 2022 annual shareholders' meeting held on April 28, 2023, the Company paid a cash dividend of RMB 0.8125 per share (tax-inclusive) to all shareholders on the basis of the total share capital of 80,000,000.00 shares as of June 14, 2023, and transferred 0.25 shares to all shareholders by way of capital reserve to increase the share capital by a total of 20,000,000.00 shares with par value of RMB 1 per share, increasing the share capital by RMB 20,000,000.00 in total.

As of December 31, 2025, the shareholding structure after the overall change was as follows:

No.	Shareholder	Capital stock (RMB Yuan)	Shareholding Ratio (%)
1	Sheng Huei International	64,997,250.00	65.0000
2	RMB ordinary shares (A shares) shareholders	25,565,500.00	25.5652
3	Suzhou Songhuei	8,122,500.00	8.1200
4	Suzhou Shengzhan	1,314,750.00	1.3148
	Total	100,000,000.00	100.0000

The Company's parent company is Sheng Huei International, and its ultimate holding company is Acter Co., Ltd. (Acter (Taiwan)). The Company's business term is from September 3, 2003 to an indefinite period.

Scope of Business: Engaged in system integration services; design and related equipment installation of mechanical and electrical systems, HVAC systems, aseptic systems, and building equipment management systems; construction of air purification engineering, fire engineering, building construction engineering, interior and exterior decoration engineering, municipal public works, pipeline engineering, and provision of related technical consultation and after-sales service; R&D and manufacturing of industrial switch power converters and components; wholesale, import, and export of similar products produced by the company and building materials, dust-free, aseptic purification equipment and related equipment, and assembly parts (for products involving quotas and license management, applications shall be handled according to relevant national regulations). Category III medical device business; Category II medical device sales; manufacturing of metal structures; manufacturing of building decoration, plumbing parts, and other metal products for construction (the project shall be carried out only after approval by relevant authorities in accordance with laws).

Licensed Projects: Construction engineering design; intelligent building system design (the specific business projects shall be subject to the approval results, and only after approval by relevant authorities in accordance with laws can the business activities be conducted).

The financial statements were approved by the Board of Directors of the Group on March 27, 2026 by resolution.

IV. Basis of Preparation of the Financial Statements

1. Basis of preparation

The financial statements of the Company are prepared in accordance with the *Accounting Standards for Business Enterprises* released by the Ministry of Finance (hereinafter collectively referred to as the "ASBE") and its application guidance, interpretations, and other relevant regulations, as well as the disclosure requirements of the China Securities Regulatory Commission's (hereinafter collectively referred to as the "CSRC") *General Provisions of Financial Reports - No. 15 - Rules on the Information Disclosure of Companies Issuing Securities* (revised in 2023), based on actual transactions and events.

2. Going concern

Applicable N/A

The Group evaluated its ability to continue as a going concern for the twelve months ended December 31, 2025, and found no matters or circumstances that cast significant doubt on its ability to continue as a going concern. The financial statements are presented on a going concern basis.

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates

Applicable N/A

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The Group's management continually evaluates its judgment regarding critical assumptions and uncertainties involved in making estimates. The effects of changes in accounting estimates are recognized in the period in which the estimate is changed and in future periods.

The following accounting estimates and critical assumptions have a significant risk of causing a material adjustment to the book value of assets and liabilities in future periods.

(1) Revenue recognition

Under the new revenue standard, the Group recognizes revenue from construction contracts over a period of time. The recognition of revenue and profit from construction depends on the Group's estimation of the outcome of the contract and the progress of performance. If the actual amount of total revenues and total costs incurred is higher or lower than management's estimates, it will affect the amount of revenue and profit recognized by the Group in future periods;

(2) Impairment of receivables and contract assets

The Group used the expected credit loss model to assess the impairment of financial instruments since January 1, 2019. The application of the expected credit loss model requires significant judgments and estimates that take into account all reasonable and supportable information, including forward-looking information. In making such judgments and estimates, the Group extrapolates the expected changes in the credit risk of debtors based on historical repayment data and factors such as economic policies, macroeconomic indicators, and industry risks. Therefore, the amount of provision for impairment of receivables and contract assets may change in accordance with the changes in the above estimates, and the adjustments to the provision for impairment of receivables and contract assets will affect the profit or loss in the period in which the estimates are changed.

(3) Accounting estimates for provision for impairment of fixed assets and investment properties

The Group performs impairment tests on fixed assets such as buildings, machinery and equipment, and investment properties at the balance sheet date if there is any indication of impairment. The recoverable amount of property, plant and equipment and investment properties is the higher of the present value of estimated future cash flows and the fair value of the assets less costs of disposal, which requires the use of accounting estimates.

If management revises the gross margins used in the calculation of future cash flows for asset groups and portfolios of asset groups and the revised gross margins are lower than the currently used gross margins, the Group is required to increase the provision for impairment for property, plant and equipment and investment properties.

If the pre-tax discount rate used for discounting cash flows is revised by the management and the revised pre-tax discount rate is higher than the current rate, the Group is required to make additional provision for impairment of fixed assets and investment properties.

If the actual gross profit margin or pre-tax discount rate is higher or lower than the management's estimate, the Group cannot reverse the provision for impairment of fixed assets and investment properties.

(4) Useful lives of fixed assets and investment properties

The Group reviews the estimated useful lives of fixed assets and investment properties at least annually at the end of each year. The estimated useful lives are determined by the management based on historical experience of similar assets, reference to estimates generally used in the industry, and expected technological updates. Depreciation and amortization expenses for future periods are adjusted accordingly when there is a significant change in the previous estimates.

(5) Income tax expense

The Group recognizes current and deferred taxes in profit or loss, except for those arising from business combinations and transactions or events directly attributable to owners' equity (including other comprehensive income).

Current income tax is the expected income tax payable calculated on the basis of the taxable income for the year at the rates specified in the tax law, plus adjustments to prior years' income tax payable. At the balance sheet date, if the Group has a legal right to settle on a net basis and intends to settle on a net basis, or to acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are shown net of tax. Deferred tax assets and deferred tax liabilities are recognized for deductible temporary differences and taxable temporary differences, respectively. A temporary difference is the difference between the book value of an asset or liability and its tax basis, including deductible losses and tax credits that can be carried forward to future years. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax is not recognized for temporary differences arising from transactions that are not part of a business combination and that at the time of the transaction affect neither the accounting profit nor taxable income (or deductible losses). At the balance sheet date, the Group measures the book value of deferred tax assets and liabilities based on the expected manner of recovering or settling those assets and liabilities, in accordance with enacted tax laws, at the tax rates that are expected to apply to the period when the assets are recovered or the liabilities are settled. The book value of deferred tax assets is reviewed at the balance sheet date. The book value of deferred tax assets is written down to the extent that it is more likely than not that sufficient taxable income will not be available to allow the benefit of the deferred tax assets to be realized in future periods. When it is more likely than not that sufficient taxable income will be available to offset the deferred tax assets, the amount written down is reversed.

On the balance sheet date, deferred tax assets and liabilities are netted out when the following conditions are met:

A taxable entity has a legal right to settle current income tax assets and current income tax liabilities on a net basis;

Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, provided that in each future period in which significant deferred tax assets and liabilities reverse, the taxable entity intends to settle the current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

1. Statement of Compliance with ASBE

The financial statements prepared by the Company comply with the requirements of the ASBE and give a true and complete account of the Company's financial position, operating results, changes in shareholders' equity, cash flows, and other relevant information.

2. Accounting period

The Company's fiscal year begins on January 1 and ends on December 31 of the Gregorian calendar.

3. Business cycle

Applicable N/A

The Group uses 12 months as the business cycle and the criteria for classifying the liquidity of assets and liabilities.

4. Recording currency

The Group and its Chinese subsidiaries use Renminbi ("RMB") as the local recording currency; Acter International Limited ("Acter (Hong Kong)") uses United States dollars ("USD") as the local recording currency; Acter Technology Singapore Pte. Ltd ("Acter (Singapore)") is denominated in Singapore dollars ("SGD"); PT Acter Technology Indonesia ("Acter (Indonesia)") and PT Acter Integration Technology Indonesia ("Indonesia Joint Venture") are denominated in Indonesian Rupiah ("IDR"); Acter Technology Malaysia Sdn. Bhd ("Acter (Malaysia)") is denominated in MYR and Sheng Huei Engineering Technology Company Limited ("Sheng Huei (Vietnam)") is denominated in VND; Acter Technology Company Limited ("Acter (Thailand)") uses THB as its local currency. The Group and its subsidiaries have selected

the local recording currencies based on the currency of valuation and settlement of major business receipts and expenditures. Some subsidiaries of the Group have adopted currencies other than the Group's local currency as their local currency, and the foreign currency financial statements of these subsidiaries have been translated in accordance with this Section V.10 in the preparation of these financial statements.

5. Method of determining materiality criteria and basis of selection

Applicable N/A

Item	Materiality Criteria
Significant accounts payable with an age of more than one year	Individual amount exceeding RMB 3 million
Important prepaid accounts with an age of more than one year	Individual amount exceeding RMB 1 million

6. Accounting treatment of business combinations under the same control and non-same control

Applicable N/A

(1) Business combination under the same control

Assets and liabilities acquired by the Group as a consolidated party in a business combination under the same control are measured at the book value of the party being consolidated in the consolidated statements of the party ultimately in control at the date of consolidation. The difference between the book value of net assets acquired and the book value of the consideration paid for the merger is adjusted to capital surplus; if the capital surplus is not sufficient to cover the difference, it is adjusted to retained earnings.

(2) Business combination not under common control

A business combination under non-identical control occurs when the parties involved in the combination are not under the ultimate control of the same party or parties before and after the combination. Identifiable assets, liabilities, and contingent liabilities of the acquiree acquired in a business combination not under common control are measured at fair value at the acquisition date. The cost of consolidation is the sum of the fair values of cash or non-cash assets paid, liabilities issued or assumed, and equity securities issued by the Group at the date of acquisition for the purpose of obtaining control over the acquiree, as well as all directly related expenses incurred in the business combination (for business combinations effected in stages through multiple transactions, the cost of consolidation is the sum of the costs of each individual transaction). If the cost of combination is greater than the fair value of the acquiree's identifiable net assets, goodwill is recognized. If the cost of combination is less than the fair value of the acquiree's identifiable net assets, the fair value of the identifiable assets, liabilities, and contingent liabilities acquired in the combination as well as the fair value of the non-cash assets or equity securities issued as consideration for the combination are first reviewed. If, after the review, the cost of consolidation is still less than the fair value of the net identifiable assets of the acquiree, the difference is recognized as non-operating revenue in the period of consolidation.

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

Applicable N/A

The scope of consolidation of the Group's consolidated financial statements is determined on the basis of control, which includes the Company and all subsidiaries controlled by the Company (including enterprises, divisible parts of invested entities and structured entities controlled by enterprises, etc.). The Group determines control on the basis of the Group's power over an investee, the Group's ability to earn variable returns from participating in the investee's activities, and the Group's ability to exercise its power over the investee to affect the amount of the investee's returns.

In the preparation of consolidated financial statements, if the subsidiaries adopt accounting policies or accounting periods that are different from those of the Company, the subsidiaries' financial statements shall be adjusted as necessary in accordance with the Company's accounting policies or accounting periods.

The effects on the consolidated financial statements of internal transactions between the Company and its subsidiaries and between subsidiaries are eliminated on consolidation. The share of ownership

interest of subsidiaries that is not attributable to the parent company and the share of net profit or loss, other comprehensive income and total comprehensive income that is attributable to minority interests are presented in the consolidated financial statements under the headings of "Minority interests, minority interests in profit or loss, other comprehensive income attributable to minorities and total comprehensive income attributable to minorities", respectively.

The results of operations and cash flows of subsidiaries acquired in a business combination under the same control are included in the consolidated financial statements from the beginning of the period in which the combination occurs. In preparing the comparative consolidated financial statements, adjustments are made to the relevant items in the prior year's financial statements, and the consolidated entity is deemed to have been in existence since the point in time when the ultimate controlling party began to exercise control.

For subsidiaries acquired in a business combination not under common control, the results of operations and cash flows are included in the consolidated financial statements from the date the Group obtains control. In preparing the consolidated financial statements, the financial statements of subsidiaries are adjusted on the basis of the fair value of each identifiable asset, liability, and contingent liability determined at the date of purchase.

8. Classification of joint arrangements and accounting treatment of joint operations

Applicable N/A

The Group's joint venture arrangements include joint operations and joint ventures. Joint operation refers to a joint arrangement in which the parties to the arrangement are entitled to the assets and bear the liabilities related to the arrangement. A joint venture is a joint arrangement in which the joint venturers have rights only to the net assets of the arrangement.

For joint ventures, the Group recognizes assets held and liabilities assumed individually or in proportion to the assets held and liabilities assumed by the Group as a joint venturer, and recognizes revenues and expenses individually or in proportion to the relevant agreements. When a joint venture enters into a transaction for the purchase or sale of an asset that does not constitute part of the business, only the portion of the gain or loss arising from the transaction that is attributable to the other participants in the joint venture is recognized.

9. Criteria for determining cash and cash equivalents

For the purposes of the Group's cash flow statement, cash comprises cash on hand and deposits available for immediate payment. Cash equivalents are investments with a maturity of no more than three months, highly liquid, readily convertible to a known amount of cash, and subject to an insignificant risk of changes in value.

10. Foreign currency operations and translation of foreign currency statements

Applicable N/A

(1) Foreign currency transactions

The Group's foreign currency transactions are translated into RMB at the spot exchange rate on the date of the transaction. At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rate at the balance sheet date, and the resulting translation differences are recognized directly in current profit or loss, except for exchange differences arising from special loans in foreign currencies for the purpose of purchasing, constructing, or producing assets eligible for capitalization, which are dealt with in accordance with the principle of capitalization. Non-monetary items carried at fair value that are denominated in foreign currencies are translated using spot exchange rates at the date when the fair value is determined, and the difference between the translated amount in the local currency of the account and the original amount in the local currency of the account is treated as a change in fair value (including exchange rate changes) and recognized in profit or loss for the period. Capital received from investors in foreign currencies is translated using the spot exchange rate on the date when the transaction occurs, and the difference in the translated amount between the invested capital in foreign currencies and the corresponding local currency of the monetary items does not result in a difference

between the foreign-currency capital and the corresponding local currency of the monetary items.

(2) Translation of foreign currency financial statements

Assets and liabilities in the foreign currency balance sheet are translated at the spot exchange rate at the balance sheet date; owners' equity items, except for "undistributed profits", are translated at the spot exchange rate at the time of occurrence of the business; and income and expenses in the income statement are translated at the spot exchange rate at the date of occurrence of the transaction. Translation differences arising from the above translations are recognized in other comprehensive income. Cash flows in foreign currencies are translated using the spot exchange rate on the date of cash flows. The effect of exchange rate changes on cash is shown separately in the statement of cash flows.

11. Financial instruments

Applicable N/A

The Group recognizes a financial asset or a financial liability when it becomes a party to a financial instrument contract.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest income or interest expense over the accounting period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the book balance of the financial asset or the amortized cost of the financial liability. In determining the effective interest rate, the expected cash flows are estimated by taking into account all contractual terms of the financial assets or liabilities (e.g. early repayment, rollover, call option or other similar options, etc.), but not the expected credit losses.

The amortized cost of a financial asset or a financial liability is the initial recognized amount of the financial asset or the financial liability, less the principal repaid, plus or minus the cumulative amortization using the effective interest rate method to amortize the difference between the initial recognized amount and the maturity amount, and less the cumulative loss allowance (only applicable to financial assets).

(1) Classification, recognition and measurement of financial assets

The Group classifies financial assets into the following three categories based on the business model of the financial assets under management and the contractual cash flow characteristics of the financial assets:

- 1) Financial assets measured at amortized cost
- 2) Financial assets at fair value through other comprehensive income (FVOCI).
- 3) Financial assets at fair value through profit or loss (FVTPL).

Financial assets are measured at fair value on initial recognition, except for accounts receivable or bills receivable arising from the sale of goods or provision of services, etc., which do not contain significant financing components or do not take into account the financing components that are not more than one year old, which are measured initially at the transaction price.

For financial assets at fair value through profit or loss (FVTPL), transaction costs are recognized directly in profit or loss, while transaction costs related to other types of financial assets are recognized in their initial recognition amounts.

Subsequent measurement of financial assets depends on their classification. All affected financial assets are reclassified when, and only when, the Group changes its business model for managing financial assets.

1) Financial assets classified as of amortized cost

The Group classifies a financial asset as amortized cost if the contractual terms of the financial asset stipulate that the only cash flows to be generated at a specific date will be payments of principal and interest based on the amount of principal outstanding, and the business model for managing the financial asset is to collect the contractual cash flows. The Group recognizes interest income on these financial assets using the effective interest method, partially measured at amortized cost, bills receivable, accounts receivable, other receivables, investments in debt securities, and long-term receivables.

The Group uses the effective interest rate method to recognize interest income on these financial assets, which are subsequently measured at amortized cost. Gains or losses arising from impairment or derecognition or modification of such financial assets are recognized in current profit or loss. The Group determines interest income by multiplying the book balance of the financial assets by the effective interest rate, except in the following cases.

a. For financial assets acquired or originated that are impaired, the Group determines interest income on the basis of the amortized cost of the financial assets and the effective interest rate adjusted for creditworthiness from the initial recognition of the financial assets.

b. For financial assets acquired or originated without credit impairment that become impaired in a subsequent period, the Group determines interest income in the subsequent period based on the amortized cost of the financial assets and the effective interest rate. If, in a subsequent period, the credit risk of a financial instrument has improved and the financial instrument is no longer impaired, the Group calculates interest income by multiplying the effective interest rate by the book value of the financial asset.

2) Financial assets at fair value through other comprehensive income (FVOCI)

If the contractual terms of a financial asset stipulate that the cash flows to be generated at a specific date will consist solely of payments of principal and interest based on the outstanding principal amount, and the business model for managing the financial asset is based on the objective of collecting the contractual cash flows as well as the objective of selling the financial asset, the Group classifies the financial asset as the financial asset at fair value through other comprehensive income (FVOCI).

The Group recognizes interest income on such financial assets using the effective interest method. Changes in fair value are recognized in other comprehensive income, except for interest income, impairment losses, and exchange differences, which are recognized in profit or loss. When the financial assets are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss.

Bills receivable and accounts receivable at fair value through other comprehensive income (FVOCI) are presented as receivables financing, and other financial assets are presented as other creditor's right investments, of which. Other debt investments maturing within one year from the balance sheet date are presented as non-current assets with maturity of less than one year, and other debt investments with original maturity of less than one year are presented as other current assets.

3) Financial assets designated as of fair value through other comprehensive income

On initial recognition, the Group may irrevocably designate investments in non-trading equity instruments as financial assets at fair value through other comprehensive income (FVOCI) on an individual financial asset basis.

Changes in the fair value of such financial assets are recognized in other comprehensive income and no provision for impairment is required. Upon derecognition of the financial assets, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

The Group recognizes dividend income and recognizes it in profit or loss when the Group's right to receive dividends has been established, it is probable that the economic benefits associated with the dividends will flow to the Group and the amount of dividends can be measured reliably in the period in which the Group holds the investment in the equity instrument. The Group reports such financial assets under investments in other equity instruments.

Investments in equity instruments are classified as financial assets at fair value through profit or loss (FVTPL) if they meet one of the following conditions: the financial asset is acquired principally for the purpose of selling in the near future; it is part of a centrally managed portfolio of identifiable financial assets at initial recognition, and there is objective evidence that a pattern of short-term profit-taking actually exists in the near future; and it is a derivative (except for derivatives that meet the definition of a financial guarantee contract and are designated as effective hedging instruments).

4) Financial assets classified as the financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for classification as financial assets at amortized cost or at fair value through other comprehensive income and are not designated as fair value through other comprehensive income are classified as financial assets at fair value through profit or loss (FVTPL).

The Group uses fair value for subsequent measurement of these financial assets, and recognizes gains or losses arising from changes in fair value, as well as dividend and interest income related to these financial assets in current profit or loss.

The Group reports these financial assets under the items of trading financial assets and other non-current financial assets according to their liquidity.

5) Financial assets designated as the financial assets at fair value through profit or loss (FVTPL)

At initial recognition, the Group may irrevocably designate financial assets as financial assets at fair value through profit or loss (FVTPL) on an individual basis in order to eliminate or significantly reduce accounting mismatches.

If a hybrid contract contains one or more embedded derivatives and the host contract is not one of the above financial assets, the Group may designate the entire contract as a financial instrument at fair value through profit or loss. However, except for the following situations:

a. The embedded derivatives will not materially alter the cash flows of the hybrid contract.

b. When determining for the first time whether a similar hybrid contract needs to be unbundled, little analysis is required to clarify that the embedded derivatives it contains shall not be unbundled. For example, if the embedded loan has an early repayment right that allows the holder to repay the loan early at an amount close to amortized cost, the early repayment right does not need to be spun off.

The Group uses fair value for subsequent measurement of these financial assets, and recognizes gains or losses arising from changes in fair value, as well as dividend and interest income related to these financial assets in current profit or loss.

The Group reports these financial assets under the items of trading financial assets and other non-current financial assets according to their liquidity.

(2) Classification, recognition and measurement of financial liabilities

The Group classifies a financial instrument or its component parts as a financial liability or an equity instrument upon initial recognition based on the contractual terms of the financial instrument issued and the economic substance reflected therein rather than in legal form only, taking into account the definitions of financial liabilities and equity instruments. Financial liabilities are classified on initial recognition as financial liabilities at fair value through profit or loss (FVTPL), other financial liabilities, and derivatives designated as effective hedging instruments.

Financial liabilities are measured at fair value on initial recognition. For financial liabilities at fair value through profit or loss (FVTPL), transaction costs are recognized directly in profit or loss; for other types of financial liabilities, transaction costs are recognized in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification.

1) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss (FVTPL) include trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities at fair value through profit or loss (FVTPL) on initial recognition.

Financial liabilities are classified as the trading financial liabilities if they meet one of the following conditions: they are assumed principally for the purpose of selling or repurchasing in the near future; they are part of a centrally managed portfolio of identifiable financial instruments and there is objective evidence that the enterprise has recently adopted a short-term profit-taking model; they are derivatives, except for those designated as effective hedging instruments and those subject to financial guarantee contracts. Trading financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value, with all changes in fair value recognized in profit or loss, except for those related to hedge accounting.

At initial recognition, in order to provide more relevant accounting information, the Group irrevocably designates financial liabilities as financial liabilities at fair value through profit or loss (FVTPL) if they meet one of the following conditions:

a. Eliminating or significantly reducing accounting mismatches.

b. Managing and evaluating the performance of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities on a fair value basis in accordance with an enterprise risk management or investment strategy as set out in a formal written document, and reporting to key management personnel within the enterprise on this basis.

The Group subsequently measures such financial liabilities at fair value, with changes in fair value recognized in profit or loss, except for changes in fair value arising from changes in the Group's own credit risk, which are recognized in other comprehensive income. The Group recognizes all fair value changes (including the effect of changes in the Group's own credit risk) in profit or loss, unless the recognition of fair value changes in other comprehensive income caused by changes in the Group's own credit risk would result in an accounting mismatch in profit or loss or would magnify the accounting mismatch in profit or loss.

(2) Other financial liabilities

Except for the following items, the Company classifies its financial liabilities as financial liabilities measured at amortized cost, which are subsequently measured at amortized cost using the effective interest method, with gains or losses arising from derecognition or amortization recognized in current profit or loss.

a. Financial liabilities at fair value through profit or loss (FVTPL).

b. Financial liabilities resulting from transfers of financial assets that do not meet the conditions for derecognition or from continuing involvement in the transferred financial assets.

c. Financial guarantee contracts that do not fall into the first two categories of this article, and loan commitments to lend at below-market interest rates that do not fall into category 1) of this article.

A financial guarantee contract is a contract that requires the issuer to pay a specified amount of money to the holder of the contract who suffers a loss when a specified debtor fails to make payments when due in accordance with the terms of the original or modified debt instrument. Financial guarantee contracts that are not financial liabilities designated as fair value through profit or loss are measured at the higher of the amount of the allowance for losses and the amount initially recognized net of accumulated amortization over the guarantee period after initial recognition.

(3) Derecognition of financial assets and financial liabilities

1) A financial asset is derecognized, i.e., removed from the accounts and balance sheet, when one of the following conditions is met.

a. The contractual right to receive cash flows from the financial asset is terminated.

b. The financial asset is transferred, and the transfer meets the requirements for derecognition of financial assets.

2) Conditions for derecognition of financial liabilities

A financial liability (or a portion of a financial liability) is derecognized when the present obligation of the financial liability (or the portion of the financial liability) has been discharged.

If the Group enters into an agreement with the lender to replace the original financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the original financial liability, or the contractual terms of the original financial liability (or a portion thereof) are substantially modified, the original financial liability is derecognized and a new financial liability is recognized at the same time. The difference between the book value and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

When the Group repurchases a portion of a financial liability, the Group allocates the book value of the financial liability as a whole according to the proportion that the fair value of the continuing portion and the derecognized portion of the financial liability bears to the fair value of the financial liability as a whole at the date of buyback. The difference between the book value allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or liabilities assumed) shall be recognized in profit or loss.

(4) Basis of recognition and measurement of transfer of financial assets

The Group assesses the extent to which it retains the risks and rewards of ownership of a financial asset when a transfer of a financial asset occurs and handles the transfer in each of the following situations:

1) If substantially all the risks and rewards of ownership of a financial asset are transferred, the financial asset is derecognized and the rights and obligations arising from or retained in the transfer are separately recognized as assets or liabilities.

2) If substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset continues to be recognized.

3) If neither the transfer nor substantially all the risks and rewards of ownership of the financial asset are retained (i.e., in cases other than those in 1) and 2)), the financial asset is recognized and treated as follows, depending on whether or not control over the financial asset is retained:

a. If control over the financial asset is not retained, the financial asset is derecognized and the rights and obligations arising from or retained in the transfer are recognized separately as assets or liabilities.

b. If control over the financial asset is retained, the financial asset continues to be recognized to the extent of its continuing involvement in the transferred financial asset, and the related liability is recognized accordingly. The extent to which the Group continues to be involved in the transferred financial asset is the extent to which it bears the risk or rewards of changes in the value of the transferred financial asset.

In determining whether a transfer of financial assets meets the above conditions for derecognition of financial assets, the principle of substance over form is applied.

The Company distinguishes between transfers of financial assets as a whole and partial transfers of financial assets:

1) If the transfer of financial assets as a whole meets the conditions for derecognition, the difference between the following two amounts is recognized in profit or loss:

a. The book value of the transferred financial asset at the date of derecognition.

b. The sum of the consideration received for the transfer of the financial asset and the amount of the derecognized portion of the cumulative change in the fair value of the transferred financial asset that is recognized in other comprehensive income (the transferred financial asset is a financial asset at fair value through other comprehensive income).

2) If part of a financial asset is transferred and the transferred part meets the conditions for derecognition, the book value of the financial asset as a whole before the transfer is apportioned between the derecognized part and the retained service asset (in which case, the retained service asset shall be regarded as a part of the derecognized financial asset) in accordance with their respective relative fair values at the date of transfer, and the difference between the following amounts is recognized in current profit or loss:

a. The book value of the derecognized portion at the date of derecognition.

b. The sum of the consideration received for the derecognized portion and the amount corresponding to the derecognized portion of the cumulative changes in fair value previously recognized in other comprehensive income (involving transfers of financial assets at fair value through other comprehensive income (FVOCI)).

If the transfer of a financial asset does not meet the conditions for derecognition, the financial asset continues to be recognized, and the consideration received is recognized as a financial liability.

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

The fair value of a financial asset or a financial liability for which there is an active market is determined using quoted prices in an active market, unless there is a period of restriction on the sale of the financial asset. The fair value of a financial asset that is subject to a sales restriction on the asset itself is determined based on quoted prices in an active market, less the amount of compensation that a market participant would require to assume the risk of not being able to sell the financial asset in the open market within a specified period of time. Quoted prices in active markets include quoted prices for the relevant assets or liabilities that are readily and regularly available from exchanges, dealers, brokers, industry groups, pricing agencies, or regulatory bodies, etc., and that are representative of actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets or liabilities that are initially acquired or derived from financial assets or liabilities assumed is determined on the basis of quoted market prices.

The fair value of financial assets or financial liabilities for which no active market exists is determined using valuation techniques. In valuing financial assets or financial liabilities, the Group uses valuation techniques that are appropriate in the circumstances and supported by sufficient available data and other information, and selects inputs that are consistent with the characteristics of the assets or liabilities that would be considered by a market participant in a transaction for the relevant assets or liabilities, giving priority to the use of relevant observable inputs where possible. Unobservable inputs are used where relevant observable inputs are not available or practicable to obtain.

(6) Impairment of financial instruments

The Group applies impairment accounting for financial assets carried at amortized cost, financial assets classified as fair value through other comprehensive income, lease receivables, contract assets, loan commitments that are not financial liabilities at fair value through profit or loss (FVTPL), financial liabilities that are not financial liabilities at fair value through profit or loss (FVTPL), and financial guarantee contracts that do not meet the conditions for derecognition due to the transfer of financial assets or financial liabilities arising from continued involvement in the transferred financial assets, based on expected credit losses, and recognizes a loss provision.

Expected credit losses are the weighted average of credit losses on financial instruments that are weighted by the risk of default. Credit loss is the difference between all contractual cash flows receivable and all cash flows expected to be received by the Group under the contract, discounted at the original effective interest rate, i.e. the present value of all cash shortfalls. Financial assets purchased or originated by the Group that are credit-impaired are discounted at the financial asset's credit-adjusted effective interest rate.

For receivables, contract assets, and lease receivables arising from transactions governed by the Income Standards, the Group applies a simplified measurement approach and measures the allowance for losses as an amount equal to the expected credit losses over the life of the asset.

For purchased or originated financial assets that are impaired, only the cumulative change in expected credit losses over the life of the asset since initial recognition is recognized as a loss allowance at the balance sheet date. At each balance sheet date, the amount of the change in expected credit losses for the entire duration of the asset is recognized as an impairment loss or gain in profit or loss. Even if the expected credit losses determined at that balance sheet date are less than the amount of expected credit losses

reflected in the estimated cash flows at the time of initial recognition, the favorable change in expected credit losses is recognized as an impairment gain.

For financial assets other than the above simplified measurement method and purchased or originated financial assets that have been impaired, the Group assesses at each balance sheet date whether the credit risk of the relevant financial instruments has increased significantly since initial recognition, and measures the allowance for losses, recognizes expected credit losses, and the changes in expected credit losses in accordance with the following scenarios:

1) If the credit risk of the financial instrument has not increased significantly since initial recognition and is in the first stage, the allowance for losses is measured at an amount equal to the expected credit losses of the financial instrument in the next 12 months, and interest income is calculated on the basis of the book balance and the effective interest rate.

2) If the credit risk of the financial instrument has increased significantly since initial recognition but credit impairment has not yet occurred, in the second stage, the Group measures the allowance for losses at an amount equal to the expected credit losses for the entire duration of the financial instrument and calculates interest income based on the book value and the effective interest rate.

3) If the financial instrument has been impaired since initial recognition, in the third stage, the Group measures the allowance for credit losses at an amount equal to the expected credit losses over the life of the financial instrument and calculates interest income at amortized cost and effective interest rate.

Any increase or reversal of the allowance for credit losses on financial instruments is recognized as an impairment loss or gain in profit or loss. The allowance for credit losses is offset against the book value of the financial asset, except for financial assets classified as fair value through other comprehensive income. For financial assets classified as fair value through other comprehensive income, the Group recognizes the allowance for credit losses in other comprehensive income, which does not reduce the book value of the financial assets in the balance sheet.

If the Group has measured the allowance for losses in a previous accounting period at an amount equal to the expected credit losses over the entire life of the financial instrument, but at the current balance sheet date the financial instrument no longer represents a significant increase in credit risk since initial recognition, the Group measures the allowance for losses for the financial instrument at an amount equal to the expected credit losses over the next 12 months at the current balance sheet date. The reversal of the resulting loss provision is recognized as an impairment loss.

1) Significant increase in credit risk

The Group uses available reasonable and reliable forward-looking information to determine whether there has been a significant increase in the credit risk of a financial instrument since initial recognition by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition. For financial guarantee contracts, the Group applies the provisions for impairment of financial instruments by considering the date on which the Group became a party to the irrevocable commitment as the initial recognition date.

The Group considers the following factors when assessing whether there has been a significant increase in credit risk:

- a. Whether there has been a significant change in the debtor's operating results, actual or expected;
- b. Whether there has been a significant adverse change in the regulatory, economic, or technological environment in which the debtor operates;
- c. Whether there has been a significant change in the value of the collateral pledged as security for the debt, or in the quality of guarantees or credit enhancements provided by third parties, which is expected to reduce the debtor's financial incentive to repay the debtor within the contractual timeframe or affect the probability of default; and
- d. Whether there has been a significant change in the debtor's expected performance and repayment behavior;
- e. Changes in the Group's approach to credit management of financial instruments.

At the balance sheet date, if the Group determines that a financial instrument has only low credit risk, the Group assumes that there has been no significant increase in the credit risk of the financial instrument since initial recognition. A financial instrument is considered to have low credit risk if the risk of default is low, the borrower's ability to meet its contractual cash flow obligations in the short term is high, and the borrower's ability to meet its contractual cash flow obligations may not necessarily be reduced by unfavorable changes in the economic situation and business environment in the long term.

2) Financial assets that have suffered credit impairment

A financial asset is impaired when one or more events that have an adverse effect on the expected future cash flows of the financial asset occur. Evidence that a financial asset is impaired includes observable information such as

- a. Significant financial difficulty of the issuer or debtor; or
- b. A breach of contract by the debtor, such as a default or delinquency in interest or principal payments; or
- c. The creditor has made concessions to the debtor that the debtor would not have made otherwise because of economic or contractual considerations related to the debtor's financial difficulties;
- d. The debtor is likely to enter into bankruptcy or other financial reorganization;
- e. The disappearance of an active market for the financial asset as a result of financial difficulties of the issuer or the debtor; or
- f. A financial asset is purchased or acquired at a significant discount that reflects the fact that a credit loss has been incurred.

The occurrence of a credit impairment of a financial asset may be the result of a combination of events and not necessarily the result of separately identifiable events.

3) Determination of expected credit losses

The Group assesses expected credit losses on financial instruments on an individual and portfolio basis. In assessing expected credit losses, the Group takes into account reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions.

The Group categorizes financial instruments into different portfolios based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: aging portfolio, construction bidding deposit, receivables within the scope of consolidation, etc. The individual evaluation criteria and portfolio credit risk characteristics of related financial instruments are described in the accounting policies of related financial instruments.

The Group determines the expected credit losses of related financial instruments in accordance with the following methods.

- a. For financial assets, credit losses represent the present value of the difference between the contractual cash flows to be received by the Group and the cash flows expected to be received.
- b. For lease receivables, the credit loss is the present value of the difference between the contractual cash flows to be received by the Group and the cash flows expected to be received.
- c. For financial guarantee contracts, the credit loss is the present value of the difference between the amount the Group expects to pay to the holder of the contract in respect of credit losses incurred by the holder of the contract, less the amount the Group expects to collect from the holder of the contract, the debtor or any other party.
- d. For financial assets that are impaired at the balance sheet date but not purchased or originated, the credit loss is the difference between the book balance of the financial asset and the present value of the estimated future cash flows discounted at the original effective interest rate.

The Group's method of measuring expected credit losses on financial instruments reflects factors such as: an unbiased, probability-weighted average amount determined by evaluating a range of possible outcomes; the time value of money; and reasonable and substantiated information about past events, current conditions, and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

4) Write-down of financial assets

When the Group no longer has a reasonable expectation that the contractual cash flows of a financial asset will be recovered in whole or in part, the book value of the financial asset is written down directly. Such write-downs constitute derecognition of the related financial assets.

(7) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, if the following conditions are met, they are presented in the balance sheet as net amounts after offsetting:

- 1) The Group has a legal right to offset the recognized amounts and the legal right is currently enforceable; and
- 2) The Group intends to settle the net amount, or to realize the financial asset and settle the financial liability at the same time.

12. Bills receivable

Applicable N/A

Categories of bad debt provision according to credit risk characteristics and the basis of determination

Applicable N/A

When sufficient evidence of expected credit losses cannot be assessed at a reasonable cost at the level of individual instruments, the Group classifies bills receivable into certain portfolios based on credit risk characteristics with reference to historical credit loss experience, current conditions, and judgment of future economic conditions, and calculates expected credit losses on a portfolio basis. The basis for determining the portfolio is as follows:

Risk portfolio	Basis of portfolio determination	Method of calculation
Commercial acceptances (Portfolio 1)	The risk characteristics of commercial acceptances are substantially the same as those of accounts receivable for similar contracts.	Expected credit losses are accrued by reference to accounts receivable.
Bank acceptance bill portfolio (Portfolio 2)	The acceptors have high credit ratings, no historical defaults, very low risk of credit loss, and strong ability to fulfill their obligations to pay contractual cash flows in the short term.	Expected credit losses are measured based on historical credit loss experience, current conditions, and expectations of future economic conditions.

Aging method for recognizing a portfolio of credit risk characteristics based on the age of the accounts.

Applicable N/A

For commercial paper receivables, the expected credit loss accrual method is based on the bad debt policy for accounts receivable, and the aging point of commercial paper receivables is retroactively adjusted to the aging point of the corresponding accounts receivable.

Judgmental criteria for individual provisioning according to individual provisioning for bad debts

Applicable N/A

If there is objective evidence that an item is impaired, the Group makes a provision for bad debts and recognizes expected credit losses for that item.

13. Accounts receivable

Applicable N/A

Categories of bad debt provision according to credit risk characteristics and the basis of determination

Applicable N/A

The Group provides for expected credit losses on an individual basis for accounts receivable with significantly different credit risks from those of the portfolio. The Group determines credit losses separately for receivables for which sufficient evidence of expected credit losses can be assessed at a reasonable cost at the level of individual instruments.

When sufficient evidence of expected credit losses cannot be assessed at a reasonable cost for an individual instrument, the Group divides accounts receivable into portfolios based on credit risk characteristics by reference to historical credit loss experience, current conditions, and judgment of future economic conditions, and calculates expected credit losses on the basis of the portfolios. The basis for determining the portfolio is as follows:

Risk Portfolio	Segmentation of Portfolio by Credit Risk Characteristics Based on Aging of Receivables
Portfolio of related party transactions within the scope of consolidation	The relationship between the receivable and the counterparty is used to characterize the credit risk.
Provisioning Method for Bad Debts by Portfolio	
Risk portfolio (Portfolio 1)	Provision for bad debts by aging analysis method
Portfolio of related party transactions within the scope of consolidation (Portfolio 2)	Unless there is evidence of impairment, no provision for bad debts is generally made.

Aging method for recognizing a portfolio of credit risk characteristics based on the age of the accounts.

Applicable N/A

The Group combines accounts receivable classified as risky portfolios with similar credit risk characteristics (aging) and estimates the accrual proportion of bad debt for such accounts receivable based on all reasonable and supportable information, including forward-looking information.

The following is a table comparing the aging of the accounts receivable - credit risk characteristics portfolio with the expected credit loss rate over the entire life of the portfolio:

Aging	Expected Credit Loss Rate of Accounts Receivable (%)
1-6 months (including 6 months)	3.00
7-12 months (including 12 months)	5.00
1-2 years (including 2 years)	10.00
2-3 years (including 3 years)	20.00
3-4 years (including 4 years)	50.00
4-5 years (including 5 years)	80.00
Above 5 years	100.00

Determination of bad debt provisioning according to individual items Individual item provisioning judgment criteria

Applicable N/A

If there is objective evidence that a receivable is impaired, the Group makes a separate provision for bad debts and recognizes expected credit losses on that receivable.

14. Receivables financing

Applicable N/A

Categories of bad debt provision according to credit risk characteristics and the basis of determination

Applicable N/A

For details of the Group's method of determining expected credit losses on receivables financing and accounting treatment, please refer to this Section V.11. (6) Impairment of financial instruments.

Aging method for recognizing a portfolio of credit risk characteristics based on the age of the accounts.

Applicable N/A

For receivable financing classified as a portfolio, the Group calculates the expected credit losses by referring to the historical credit loss experience, taking into account the current situation and the forecast of the future economic situation, through the default risk exposure and the expected credit loss rate for the entire duration.

Judgmental criteria for individual provisioning according to individual provisioning for bad debts Applicable N/A**15. Other receivables** Applicable N/A**Categories of bad debt provision according to credit risk characteristics and the basis of determination** Applicable N/A

For other receivables, the Group is unable to obtain sufficient evidence of significant increase in credit risk at a reasonable cost at the level of individual instruments, and it is feasible to assess whether there is a significant increase in credit risk on a portfolio basis. Therefore, the Group groups other receivables according to the type of financial instruments, credit risk ratings, initial recognition dates, and remaining contractual maturities as the common risk characteristics and considers them on a portfolio basis. The Group assesses whether there is a significant increase in credit risk.

To measure expected credit losses on a portfolio basis, the Group groups the expected credit loss accrual proportion according to the corresponding aging credit risk characteristics.

Basis of Portfolio Determination	
Risk Portfolio	The Aging of Other Receivables is Used as the Credit Risk Characteristic to Classify the Portfolio
Portfolio of related party transactions within the scope of consolidation	The credit risk characteristics of other receivables are based on the relationship between the receivables and the counterparties.
Portfolio of risk-free receivables such as social security receivables	The credit risk characteristics of other receivables are based on the nature of the receivables.
Provisioning Method for Bad Debts by Portfolio	
Risk Portfolio	Provision for Bad Debts by Aging Analysis Method
Portfolio of risk-free receivables such as social security receivables	Unless there is evidence of impairment, no provision for bad debts is generally made.
Portfolio of related party transactions within the scope of consolidation	Unless there is evidence of impairment, no provision for bad debts is generally made.

Aging method for recognizing a portfolio of credit risk characteristics based on the age of the accounts. Applicable N/A

The Group combines other receivables classified as risky portfolios with similar credit risk characteristics (aging) and estimates the accrual proportion of bad debt for such other receivables based on all reasonable and supportable information, including forward-looking information.

A table comparing the aging of the other receivables - credit risk characteristics portfolio with the expected credit loss rate over the entire duration is shown below:

Aging	Expected Credit Loss Rate of Other Receivables (%)
Within 1 year (including 1 year)	5.00
1-2 years (including 2 years)	10.00
2-3 years (including 3 years)	30.00
3-4 years (including 4 years)	50.00
4-5 years (including 5 years)	80.00

Aging	Expected Credit Loss Rate of Other Receivables (%)
Above 5 years	100.00

Judgmental criteria for individual provisioning according to individual provisioning for bad debts

Applicable N/A

Other receivables arising from non-operating low-risk businesses are individually impaired according to the nature of the business.

For other receivables secured by mortgage, the original value less the recoverable value of the collateral is recognized as the risk exposure for credit losses.

16. Inventory

Applicable N/A

Categories of inventories, issue valuation method, inventory system, amortization method of low-value consumables and packages

Applicable N/A

The actual cost of inventories issued is measured using the individual valuation method.

Recognition criteria and accrual method for provision for decline in value of inventories

Applicable N/A

Net realizable value is the estimated selling price of inventories in the ordinary course of business, less estimated costs to be incurred to completion, estimated selling expenses and related taxes. The net realizable value of inventories held for the purpose of executing sales or service contracts is calculated on the basis of the contract price.

Categories and basis for determining the provision for decline in value of inventories based on portfolios, and basis for determining the net realizable value of different categories of inventories

Applicable N/A

The net realizable value of inventories is determined on the basis of reliable evidence obtained, taking into account the purpose of holding the inventories, the impact of events after the balance sheet date, and other factors.

① The net realizable value of inventories held for sale, such as finished goods, merchandise, and materials for sale, is determined as the estimated selling price of the inventories in the ordinary course of production and operation, less estimated selling expenses and related taxes. The net realizable value of inventories held for the purpose of executing sales contracts or labor contracts is measured at the contract price; if the quantity of inventories held exceeds the quantity ordered under the sales contract, the net realizable value of the excess quantity is measured at the normal selling price. The net realizable value of materials for sale is measured at market price.

② The net realizable value of inventories of materials requiring processing is determined in the normal course of production and operation by the estimated selling price of finished goods produced, less estimated costs to be incurred until completion, estimated selling expenses, and related taxes. If the net realizable value of finished goods produced from the materials is higher than the cost, the materials are measured at cost; if the decrease in the price of the materials indicates that the net realizable value of the finished goods is lower than the cost, the materials are measured at the net realizable value, and a provision for decline in value of inventories is made for the difference.

③ Provision for decline in value of inventories is generally made on the basis of individual inventory items; for large quantities of inventories with low unit prices, provision is made on the basis of categories of inventories.

④ If the factors affecting the write-down of inventories have disappeared as of the balance sheet date, the amount of the write-down is restored and reversed to the extent of the provision for decline in value of inventories, and the amount of the reversal is recognized in profit or loss.

Calculation method and basis for determining the net realizable value of each age group of inventories for which the net realizable value of inventories is recognized based on the age of the inventories

Applicable N/A

17. Contract assets

Applicable N/A

Methods and criteria for recognizing contract assets

Applicable N/A

A contract asset is a right to receive consideration for merchandise that the Group has transferred to a client and which depends on factors other than the passage of time. If the Group sells two clearly distinguishable commodities to a client and has the right to receive payment because one of the commodities has been delivered, but the receipt of such payment is also dependent on the delivery of the other commodity, the Group recognizes the right to receive payment as a contract asset.

Categories of bad debt provision according to credit risk characteristics and the basis of determination

Applicable N/A

The Group classifies contract assets into portfolios based on credit risk characteristics by reference to historical credit loss experience, current conditions, and judgment of future economic conditions, and calculates expected credit losses on the basis of the portfolios. The basis for determining the portfolio is as follows:

Risk Portfolio	Basis of Portfolio Determination	Method of Calculation
Outstanding guarantee deposits (Portfolio 1)	The risk characteristics of outstanding warranties are substantially the same as those of accounts receivable for similar contracts.	Provision for expected credit losses is made by reference to accounts receivable.
Completed unsettled assets arising from construction contracts (Portfolio 2)	Completed unsettled assets resulting from construction contracts do not result in true accounts receivable; therefore, the expected credit loss rate for completed unsettled assets is generally no higher than the expected credit loss rate for accounts receivable within one year, and 0.5% is used as the expected credit loss rate for contracted assets	Expected credit losses are measured by reference to historical credit loss experience, taking into account current conditions and expectations of future economic conditions.

Aging method for recognizing a portfolio of credit risk characteristics based on the age of the accounts

Applicable N/A

For details, please refer to Section V.13. Accounts receivable

Criteria for identifying and judging individual items for which provision for bad debts is made on an individual basis

Applicable N/A

18. Non-current assets held for sale or disposal groups

Applicable N/A

Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale

Applicable N/A

Recognition criteria and presentation of discontinued operations

Applicable N/A

Discontinued operation means a separately distinguishable component of the Group that has been disposed of or classified as held for sale if one of the following conditions is met: (1) The component represents a separate principal business or a separate principal operating region; (2) The component is part of an associated plan to dispose of a separate principal business or a separate principal operating region; and (3) The component is a subsidiary acquired exclusively for resale.

In the profit statement, the Group has added the items "Net profit from continuing operations" and "Net profit from discontinued operations" to the item "Net profit", reflecting the profit or loss from continuing operations and the profit or loss from discontinued operations, respectively, on a net after-tax basis. Gains and losses related to discontinued operations shall be reported as discontinued operations, and the discontinued operations gains and losses shall be reported for the entire reporting period, not only for the reporting period after it is recognized as discontinued operations.

19. Long-term equity investment

Applicable N/A

The Group's long-term equity investments are mainly investments in subsidiaries, investments in associates, and investments in joint ventures.

The Group judges joint control on the basis that all participants or a portfolio of participants collectively control the arrangement and that the policies governing the activities of the arrangement must be agreed upon by those participants who collectively control the arrangement.

The Group is generally considered to have significant influence over an investee when it owns, directly or indirectly through subsidiaries, more than 20% but less than 50% of the investee's voting rights. If the Group owns less than 20% of the voting power of an investee, it is necessary to consider the facts and circumstances such as having representatives on the board of directors or similar authority of the investee, or participating in the process of formulating the financial and operating policies of the investee, or engaging in significant transactions with the investee, or dispatching management personnel to the investee, or providing key technological information to the investee, etc., and determine that the Group has significant influence on the investee.

The investee is a subsidiary of the Group if the investor exercises control over the investee. Long-term equity investments acquired through a business combination under the same control are initially recognized at cost based on the share of the book value of the net assets of the party being consolidated in the consolidated statements of the party ultimately in control at the date of consolidation. If the book value of the net assets of the party being consolidated is negative at the date of consolidation, the cost of long-term equity investment is determined as zero.

Long-term equity investments acquired through a business combination not under common control are recognized at the cost of the combination.

Except for the long-term equity investments acquired through business combination mentioned above, the cost of long-term equity investments acquired by cash payment is based on the actual purchase price paid; the cost of long-term equity investments acquired by issuance of equity securities is based on the fair value of the equity securities issued; and the cost of long-term equity investments invested by investors is based on the value agreed in the investment contract or agreement.

The Group's investments in subsidiaries are accounted for using the cost method, and investments in joint ventures and associates are accounted for using the equity method.

The book value of long-term equity investments accounted for under the cost method is increased by the fair value of additional investment and related party transaction costs incurred when additional investment is made. Cash dividends or profits declared by the investee are recognized as investment income at the amount to which they are attributable.

The book value of long-term equity investments accounted for under the equity method shall be increased or decreased accordingly to the changes in the ownership interest of the investee. In recognizing the share of net profit or loss of an investee, the fair value of the identifiable assets of the investee at the time of investment acquisition is used as the basis for recognizing the net profit of the investee in accordance with the Group's accounting policies and accounting periods, after offsetting the portion of gains or losses on internal transactions with associates and joint ventures that are attributable to the investor based on the Group's proportionate interest in the investor's net assets and liabilities.

On disposal of long-term equity investments, the difference between the book value and the actual acquisition price is recognized as investment income. For long-term equity investments accounted for

under the equity method, other comprehensive income accounted for under the equity method shall be accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee upon termination of the equity method, and any changes in the equity of the investee due to changes in the equity of the investee other than net profit or loss, other comprehensive income, and profit distribution shall be fully transferred to current investment income upon termination of the equity method. The entire amount shall be transferred to investment income when the equity method of accounting is discontinued.

If an investee loses joint control or significant influence over the investee due to the disposal of a portion of the equity investment, the remaining equity interest after disposal shall be accounted for in accordance with the relevant provisions of the Guidelines on the Recognition and Measurement of Financial Instruments, and the difference between the fair value of the remaining equity interest and its book value at the date of the loss of joint control or significant influence shall be recognized in current profit or loss. Other comprehensive income recognized as a result of the adoption of the equity method shall be accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee and carried forward on a pro rata basis upon the termination of the adoption of the equity method, and all other changes in equity recognized as a result of changes in the investee's ownership interest other than net profit or loss, other comprehensive income, and distribution of profits shall be transferred to investment income on a pro rata basis for the current period.

If the investee loses control of a portion of the long-term equity investment due to disposal, and the remaining equity interest after disposal is capable of exercising joint control or significant influence over the investee, it shall be accounted for under the equity method instead, and the difference between the book value of the equity interest disposed of and the disposal consideration shall be recognized in investment income, and the remaining equity interest shall be adjusted as if it were equity-method accounted for from the time of acquisition; if the remaining equity interest after disposal is not capable of exercising joint control or significant influence over the investee, it shall be accounted for under the equity method instead. If the remaining equity interest after disposal cannot exercise joint control or significant influence over the investee, the accounting shall be conducted in accordance with the relevant provisions of the *Guidelines on Recognition and Measurement of Financial Instruments*, and the difference between the book value of the equity interest disposed of and the consideration for disposal shall be recognized as investment income, while the difference between the fair value of the remaining equity interest at the date of the loss of control and its book value shall be recognized in current profit or loss.

20. Investment properties

(1) If the cost measurement model is used:

Depreciation or amortization method

The Group classifies real estate held to earn rentals or for capital appreciation, or both, as investment property. The Group uses the cost model to measure investment properties, that is, use the cost to subtract the accumulated depreciation, amortization, and impairment provision, and display them in the balance sheet. The Group depreciates the cost of investment properties, net of estimated net salvage value and accumulated impairment allowances, over their useful lives using the average annualized method. For details of the impairment test method and the method of making provision for impairment, please refer to Section V.11. (6) Impairment of financial instruments. The useful lives, residual values, and annual depreciation rates for each type of investment property were as follows.

No.	Category	Depreciable Life (years)	Estimated Salvage Value (%)	Annual Depreciation Rate (%)
1	House buildings	20	5-10	4.5-4.75
2	Land use rights	36.75		2.72

21. Fixed assets

(1). Recognition conditions

Applicable N/A

The Group's fixed assets are tangible assets with the following characteristics, i.e., held for use in the

production of goods, provision of services, leasing or business management, and with a useful life of more than one year. Fixed assets are recognized when it is probable that the economic benefits associated with them will flow to the Group and their costs can be measured reliably. The Group' fixed assets include buildings, transportation equipment, office and electronic equipment. The Group depreciates all fixed assets, except for fully depreciated fixed assets that are still in use and land that is separately accounted for. The average life method is used for depreciation.

(2). Depreciation method

Applicable N/A

Category	Depreciation Method	Depreciable Life (Year)	Residual Value Rate	Annual Depreciation Rate
House buildings	Average life method	10-20	5-10	4.50-9.50
Transportation equipment	Average life method	4	5	23.75
Office and electronic equipment	Average life method	3	5	31.67

The Group reviews the estimated useful lives, estimated residual values, and depreciation methods of fixed assets at the end of each year. Any changes are accounted for as changes in accounting estimates.

22. Construction in progress

Applicable N/A

(1) Construction in progress is categorized and accounted for by standing items.

(2) Criteria and point in time for carrying forward construction in progress to fixed assets

Construction in progress is recognized as a fixed asset on the basis of all expenditures incurred before the asset is constructed and brought to its intended state of use. This includes construction costs, the original cost of machinery and equipment, other necessary expenses incurred to bring the construction in progress to its intended state of use, as well as borrowing costs incurred before the asset reaches its intended state of use for borrowing specifically for the project, and borrowing costs incurred for general borrowing used for the project. The Group transfers construction in progress to property, plant, and equipment when the project has been installed or constructed to its intended state of use. Fixed assets that have reached the intended state of use but for which final accounts have not yet been finalized are transferred to fixed assets from the date they reach the intended state of use at their estimated value based on the project budget, construction cost, or actual cost of the project, and depreciation is provided for in accordance with the Group's policy on depreciation of fixed assets, and after final accounts have been finalized, the original provisional value is adjusted according to the actual cost, but the amount of depreciation provided for is not adjusted. The original provisional value will be adjusted according to the actual cost after the completion of the final accounts, without adjusting the depreciation originally provided.

23. Borrowing costs

Applicable N/A

(1) Recognition principles and capitalization period for capitalization of borrowing costs

Borrowing costs incurred by the Group for the acquisition, construction, or production of assets directly attributable to the assets eligible for capitalization shall be capitalized to the cost of the relevant assets when the following conditions are simultaneously met:

- ① Expenditures on assets have been incurred;
- ② Borrowing costs have been incurred;
- ③ The construction or production activities necessary to bring the asset to its intended state of use have begun.

Other borrowing interests, discounts or premiums and exchange differences are recognized in profit or loss in the period in which they are incurred.

The capitalization of borrowing costs is suspended when there is an abnormal interruption in the construction or production of assets eligible for capitalization for more than three consecutive months.

The capitalization of borrowing costs ceases when the assets eligible for capitalization have reached their intended use or saleable condition; any subsequent borrowing costs are recognized as expenses in the period in which they are incurred.

(2) Calculation of the capitalization rate and amount of capitalized borrowing costs

If a special loan is borrowed for the purpose of purchasing, constructing, or producing an asset eligible for capitalization, the capitalized amount of interest expense on the special loan shall be determined by the actual interest expense incurred on the special loan in the period less the interest income from depositing the unused borrowed funds in a bank or the investment income from making a temporary investment.

If general borrowings are used for the acquisition, construction, or production of assets eligible for capitalization, the amount of interest to be capitalized on general borrowings shall be calculated by multiplying the weighted average amount of cumulative asset expenditures in excess of the portion of special-purpose borrowings by the capitalization rate of the general borrowings used to calculate the amount of interest to be capitalized on general borrowings. The capitalization rate is based on the weighted average interest rate of general borrowings.

24. Biological assets

Applicable N/A

25. Oil and gas assets

Applicable N/A

26. Intangible assets

(1). Useful life, basis for determining useful life, estimation, amortization method or review procedure

Applicable N/A

Intangible assets, including land use rights and software, are measured at cost and amortized equally over their estimated useful lives.

(1) Land use rights

Land use rights are amortized equally over their useful lives of 50 years. If it is difficult to allocate the purchase price of land and buildings between land use rights and buildings, all of them are recognized as fixed assets.

(2) Computer software

Acquired computer software is capitalized on the basis of the costs incurred to acquire and put into use the specific software. The related costs are amortized on a straight-line basis over the estimated useful lives of 2 to 10 years. Costs related to the maintenance of computer software programs are recognized as expenses as they are incurred.

(3) Periodic review of useful lives and amortization methods

The estimated useful lives and amortization methods of intangible assets with finite useful lives are reviewed and appropriately adjusted at the end of each year. The Group considers intangible assets for which the duration of future economic benefits is not foreseeable as intangible assets with indefinite useful lives and does not amortize such intangible assets. As of the end of the reporting period, the Group had no intangible assets with indefinite useful lives. Expenditures on the Group's internal R&D projects are recognized in profit or loss as incurred.

(4) Impairment of intangible assets

When the recoverable amount of an intangible asset is less than its book value, the book value is written down to the recoverable amount.

(2). Scope of attribution of R&D expenditures and related accounting treatment

Applicable N/A

The specific criteria for distinguishing between the research phase and the development phase of internal R&D projects are as follows:

① The Group classifies preparatory activities, which are conducted for further development, including data and related aspects, as the research phase. Expenditures incurred during the research phase of intangible assets are recognized in profit or loss as incurred.

② The Group classifies development activities which are commenced after the completion of the research phase as the development phase.

Specific conditions for capitalizing development phase expenditures:

Only when the expenditures in the development stage meet the following conditions can they be recognized as intangible assets:

A. It is technically feasible to complete the intangible asset so that it can be used or sold;

B. Having the intention to complete the intangible asset and use or sell it;

C. The ways in which intangible assets generate economic benefits, including the ability to prove that the products produced by using the intangible assets exist in the market or the intangible assets themselves exist in the market, and the intangible assets will be used internally, which can prove their usefulness;

D. Having sufficient technical, financial, and other resources to support the development of intangible assets, and having the ability to use or sell the intangible assets;

E. Expenditure attributable to the development stage of intangible assets can be measured reliably.

27. Impairment of long-term assets

Applicable N/A

The Group examines items such as long-term equity investments, property and equipment, construction in progress, right-of-use assets, and intangible assets with finite useful lives at each balance sheet date, and performs impairment tests when there are indications of impairment. Goodwill and intangible assets with indefinite useful lives are tested for impairment at the end of each year, regardless of whether there is any indication of impairment.

The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. The Group estimates the recoverable amount of an asset on an individual basis; if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of an asset group is determined on the basis of the asset group to which the asset belongs. An asset group is identified on the basis of whether the major cash inflows from the asset group are independent of those from other assets or groups of assets.

When the recoverable amount of an asset or an asset group is less than its book value, the Group writes down its book value to its recoverable amount, and the amount of the write-down is recognized in profit or loss and a corresponding provision for asset impairment is made.

For the purpose of impairment testing of goodwill, the book value of goodwill arising from a business combination is allocated to the relevant asset group on a reasonable basis from the date of purchase; if it is difficult to be allocated to the relevant asset group, the book value is allocated to a portfolio of the relevant asset groups. The relevant asset group or portfolio of asset groups is one that can benefit from the synergies of the business combination and is not larger than the Group's reportable segments.

When testing for impairment of the relevant asset group or portfolio of asset groups containing goodwill, if there is any indication of impairment for the asset group or portfolio of asset groups related to goodwill, the asset group or portfolio of asset groups that does not contain goodwill is first tested for impairment, the recoverable amount is calculated, and the corresponding impairment loss is recognized. Then, carry out impairment test on the asset portfolio or asset portfolio group which contains goodwill, and compare the book value and recoverable amount. If the recoverable amount is lower than the book value, the amount of the impairment loss shall first be offset against the book value of the goodwill allocated to the asset group or portfolio of assets, and then against the book value of the other assets proportionally according to the proportion of the book value of the other assets excluded from the asset group or portfolio of assets.

If the book value of an asset exceeds its recoverable amount after an impairment test, the difference is recognized as an impairment loss, which is not reversed in subsequent periods.

28. Long-term unamortized expenses

Applicable N/A

Long-term amortized expenses are expenses incurred by the Group but shall be borne by the Group in the current and future periods with an amortization period of more than one year. Long-term amortization expenses These expenses are amortized equally over the period of benefit. If a long-term amortized expense item does not benefit a future accounting period, the amortized value of the item that has not been amortized is transferred to current profit or loss.

29. Contract liabilities

Applicable N/A

Contract liabilities reflect the Group's obligations to transfer goods to clients for consideration received or receivable from clients. If the client has paid the contractual consideration or the Group has obtained the unconditional right to receive the contractual consideration before the Group transfers the goods to the client, contract liabilities are recognized for the amount received or receivable at the earlier of the actual payment made by the client and the amount due.

30. Employee remuneration

(1). Accounting treatment of short-term remuneration

Applicable N/A

The Group's employee remuneration includes short-term remuneration, post-employment benefits, and termination benefits.

Short-term remuneration mainly includes employees' salaries, welfare fees, housing fund, etc. Short-term remuneration actually incurred during the accounting period in which the employees render services is recognized as a liability and charged to current profit or loss or the cost of the relevant assets according to the beneficiary.

(2). Accounting treatment of post-employment benefits

Applicable N/A

Post-employment benefits mainly include basic pension insurance premiums, unemployment insurance, etc., which are categorized as defined contribution plans in accordance with the risks and obligations assumed by the Company. Contributions to a defined contribution plan are recognized as a liability at the balance sheet date on the basis of contributions made to a separate entity in exchange for services rendered by employees during the accounting period, and are recognized in profit or loss or at the cost of the related assets, depending on the beneficiary.

(3). Accounting treatment of termination benefits

Applicable N/A

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

Applicable N/A

31. Estimated liabilities

Applicable N/A

The Group recognizes a projected liability when the obligation relating to the contingency is a present obligation incurred by the Group, it is probable that the performance of the obligation will result in an outflow of economic benefits to the Group, and the amount can be measured reliably. A projected liability is initially measured at the best estimate of the expenditure required to settle the present obligation. Where the effect of the time value of money is material, the projected liability is determined on the basis of the

discounted amount of the expected future cash flows. In determining the best estimate, the Group considers a portfolio of factors such as the risks and uncertainties associated with the contingency and the time value of money. Where there is a continuous range of required expenditures and the likelihood of each outcome within that range is equal, the best estimate is determined at the midpoint of the range; in other cases, the best estimate is treated as follows:

- Where the contingency relates to a single item, it is determined on the basis of the most probable amount to be incurred.

- Where a contingency relates to more than one item, it is determined on the basis of various possible outcomes and related probabilities.

The Group reviews the book value of the estimated liability at the balance sheet date and adjusts the book value to the current best estimate.

32. Share-based payment

Applicable N/A

(1) Types of share-based payment and accounting treatment

Share-based payment is a transaction in which a company grants an equity instrument or assumes a liability determined on the basis of an equity instrument in order to obtain services from employees. Share-based payment is categorized into equity-settled share-based payment and cash-settled share-based payment.

1) Equity-settled share-based payment

Stock option plans are equity-settled share-based payments in exchange for services rendered by employees and are measured at the fair value of the equity instruments granted to employees at the grant date. Options may be exercised only upon completion of services or fulfillment of specified performance conditions during the waiting period. During the waiting period, based on the best estimate of the number of equity instruments that can be exercised, the services acquired in the period are recognized in the related costs or expenses at the fair value of the equity instruments on the grant date, and the capital surplus is increased accordingly.

2) Cash-settled share-based payment

The stock appreciation rights plan is a cash-settled share-based payment, which is measured at the fair value of the liability assumed by the Company based on the number of shares of the Company. The cash-settled share-based payment is subject to the completion of services or the fulfillment of performance conditions during the waiting period. At each balance sheet date during the waiting period, based on the best estimate of the feasibility of the rights, the services acquired in the period are recognized as a cost or expense at the amount of the fair value of the liabilities assumed by the Company, and the liabilities are increased accordingly. The fair value of the liability is remeasured at each balance sheet date until the liability is settled and at the date of settlement, with the change recognized in profit or loss.

(2) Method of determining the fair value of equity instruments

The fair value of shares granted to employees is measured at the market price of the Company's shares, adjusted to take into account the terms and conditions under which the shares were granted (excluding the conditions for exercising the rights other than market conditions).

For stock options granted to employees, the fair value of the options granted is estimated using an option pricing model.

(3) Basis for recognizing the best estimate of feasible equity instruments

At each balance sheet date during the waiting period, the number of equity instruments expected to become exercisable is revised by making a best estimate based on the latest available subsequent information, such as changes in the number of employees with exercisable rights.

(4) Handling of modification and termination of the share-based payment plan

If the modification of a share-based payment plan increases the fair value of the equity instruments granted, the increase in services received shall be recognized accordingly to the increase in the fair value of the equity instruments.

If a modification of a share-based payment plan increases the number of equity instruments granted, the increase in the fair value of the equity instruments shall be recognized as an increase in services received accordingly.

If the conditions for exercising rights are modified in a way that is favorable to the employee, such as shortening the waiting period or changing or eliminating performance conditions (instead of market conditions), the company takes the modified conditions into account when dealing with the conditions for exercising rights.

If the terms and conditions are modified in a manner that reduces the total fair value of the share-based payment or is otherwise unfavorable to the employee, the services received continue to be accounted for as if the change had never occurred, unless some or all of the equity instruments granted are canceled.

If the granted equity instruments are canceled during the waiting period, the canceled equity instruments are treated as accelerated exercise, and the remaining amount to be recognized during the waiting period is immediately recognized in profit or loss, and capital surplus is recognized. If the employees or other parties can choose to meet the non-optional conditions but fail to do so within the waiting period, the cancellation is treated as a cancellation of the granted equity instruments.

33. Preferred stock, perpetual bonds and other financial instruments

Applicable N/A

34. Revenue

(1). Disclosure of accounting policies adopted for revenue recognition and measurement by type of business

Applicable N/A

The Group recognizes revenue when it has fulfilled its performance obligations under a contract, i.e. when the client obtains control of the related goods or services.

If a contract contains two or more performance obligations, the Group allocates the transaction price to each individual performance obligation on the basis of the relative proportion of the individual selling price of the goods or services promised under each individual performance obligation at the inception date of the contract, and measures revenue on the basis of the transaction price allocated to each individual performance obligation. For contracts with quality assurance clauses, the Group analyzes the nature of the warranty provided and treats the warranty as a separate performance obligation if the warranty provides a separate service from guaranteeing to the client that the goods sold meet the established standards. Otherwise, the Group accounts for them in accordance with the provisions of *ASBE No. 13 -Contingencies*.

The transaction price is the amount of consideration that the Group expects to be entitled to receive for the transfer of goods or services to the client, excluding amounts received on behalf of third parties. The Group recognizes a transaction price that does not exceed the amount by which it is more likely than not that a material reversal of the cumulative revenue recognized will not occur when the related uncertainty is removed. Amounts expected to be returned to clients are recognized as a liability for returns and are not included in the transaction price.

The Group has a performance obligation at a point in time when one of the following conditions is met; otherwise, the Group has a performance obligation at a point in time:

- The client acquires and consumes the economic benefits arising from the Group's performance at the same time as the Group's performance;
- The client is able to control the goods under construction in the course of the Group's performance;
- The goods produced in the course of the Group's performance have a non-substitutable use, and the Group is entitled to receive payment for the cumulative portion of performance completed to date throughout the term of the contract.

The Group recognizes revenue on the basis of the progress of performance over a period of time for performance obligations that are to be fulfilled within that period. When the progress of performance is not reasonably determinable, the Group recognizes revenue on the basis of the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred by the Group are expected to be reimbursed.

For performance obligations fulfilled at a certain point in time, the Group recognizes revenue at the point in time when the client obtains control of the related goods or services. In determining whether a client has obtained control of goods or services, the Group considers the following indications:

- The Group has a present right to receive payment for the good or service;
- The Group has physically transferred the good to the client;
- The Group has transferred legal title or the principal risks and rewards of ownership of the good to the client;
- The client has accepted the goods or services, etc.

The Group accounts for changes in the scope or price of a contract that have been approved by the parties to the contract separately under the following circumstances:

- If a contract change adds clearly distinguishable goods and contract prices, and the new contract price reflects the separate selling price of the new goods, the changed part of the contract is accounted for as a separate contract;

- If a contract change does not fall into the above category, and if the goods transferred or services provided are clearly distinguishable from those not transferred or provided at the date of the contract change, the original contract is deemed to be terminated, and the unperformed portion of the original contract and the changed portion of the contract are combined and accounted for as part of a new contract;

- If a contract change does not fall under the above circumstances, i.e., if there is no clear distinction between goods transferred or services provided and goods not transferred or services not provided at the date of the contract change, the changed portion of the contract is accounted for as an integral part of the original contract, and the resulting impact on the recognized revenue is adjusted to current revenue at the date of the contract change.

The right to receive consideration for goods or services that the Group has transferred to a client (and which is dependent on factors other than the passage of time) is recognized as a contract asset, which is impaired on the basis of expected credit losses. The Group's unconditional right to receive consideration from clients, which is dependent only on the passage of time, is presented as receivables. The Group's obligations to transfer goods or services to clients for which the Group has received or shall receive consideration from the clients are presented as contractual liabilities.

The specific accounting policies related to the Group's major revenue-generating activities are described as follows:

1) Revenue from sales of goods

Revenue is recognized when the Group transfers control of goods to the client upon delivery to the purchaser and obtains a signed receipt, or when the goods are shipped on board a vessel.

2) Revenue from construction

The client controls the merchandise during the construction of the project. Under this type of contract, the relevant goods are constructed in accordance with the client's specifications, and if the client terminates the contract, the Group is entitled to receive an amount that compensates it for the costs incurred and a reasonable profit for the portion of the performance that has been performed to date. Accordingly, the Group recognizes revenues and costs associated with the construction of the works over time. The Group determines the progress of performance based on the proportion of the cumulative actual contract costs incurred to the estimated total contract costs and recognizes revenue in accordance with the progress of performance. If revenue is recognized but not yet billed, the Group recognizes it as a contract asset.

(2). The adoption of different operating models for the same type of business involves different revenue recognition and measurement methods

Applicable N/A

35. Contract costs

Applicable N/A

36. Government subsidies

Applicable N/A

(1) Recognition of government grants

Government grants are recognized only when the following conditions are simultaneously met:

- 1) The Group is able to fulfill the conditions attached to the government grants;
- 2) The Group is able to receive government grants.

(2) Measurement of government grants

If government grants are monetary assets, they are measured at the amount received or receivable. If the government grants are non-monetary assets, they are measured at fair value; if the fair value cannot be reliably obtained, they are measured at a nominal amount of RMB 1.

(3) Accounting treatment of government grants**1) Asset-related government grants**

Government grants obtained by the Company for the purpose of purchasing, constructing, or otherwise forming long-term assets are classified as asset-related government grants. Asset-related government grants are recognized as deferred income and recognized in profit or loss in a reasonable and systematic manner over the useful lives of the related assets. Government grants that are measured at nominal amounts are recognized directly in profit or loss. If an asset is sold, transferred, retired, or destroyed before the end of its useful life, the unallocated balance of the deferred income is transferred to profit or loss in the period in which the asset is disposed of.

2) Government grants related to income

Government grants other than those related to assets are classified as revenue-related government grants. Government grants related to income are accounted for as follows:

Government grants used to compensate the Group for costs or losses incurred in future periods are recognized as deferred income and recognized in profit or loss in the period in which the costs or losses are recognized;

For the purpose of compensating the Group for the related costs or losses already incurred, they are recognized directly in current profit or loss.

Government grants that contain both asset-related and revenue-related components are accounted for separately; if it is difficult to distinguish between the two, they are categorized as revenue-related government grants as a whole.

Government grants related to the Group's daily activities are recognized in other income in accordance with the substance of the economic operations. Government grants that are not related to the Group's daily activities are recognized as non-operating revenue and expenses.

3) Policy-based preferential loan subsidies

If the finance disburses the subsidized interest rate funds to a lending bank, and the lending bank provides loans to the Group at a preferential interest rate, the actual amount of the loan received shall be regarded as the recorded value of the loan, and the related borrowing costs shall be calculated on the basis of the principal amount of the loan and the preferential interest rate of the policy.

When the subsidized interest rate funds are directly allocated to the Group by the financial authorities, the Group will offset the corresponding subsidized interest rate against the relevant borrowing costs.

4) Return of government grants

When recognized government grants are to be returned, the book value of the assets shall be adjusted if the book value of the assets is reduced upon initial recognition; if there is a balance of deferred income, the balance of deferred income shall be reduced, and the excess shall be recognized in current profit or loss; otherwise, the balance of deferred income shall be recognized directly in current profit or loss.

37. Deferred tax assets/deferred tax liabilities

Applicable N/A

The Group's deferred tax assets and deferred tax liabilities are calculated and recognized according to the difference between the tax basis and book values of assets and liabilities, and the difference (temporary difference) between the tax basis and book values of items that are not recognized as assets and liabilities but whose tax basis can be determined according to the provisions of tax law.

The Group recognizes deferred tax liabilities for all taxable temporary differences except the following circumstances: (1) Temporary differences arising from the initial recognition of goodwill or the initial recognition of assets or liabilities arising from non-business consolidation transactions that neither affect accounting profits nor taxable income (or deductible losses); (2) For taxable temporary differences related to investments of subsidiaries, associated enterprises, and joint ventures, the Group can control the time when the temporary differences have reversal, and the temporary differences are unlikely to have reversal in the foreseeable future.

The Group recognizes deferred tax assets for deductible temporary differences, deductible losses, and tax deductions, to the extent that it is likely to obtain future taxable income to offset deductible temporary differences, deductible losses, and tax deductions: (1) Temporary differences arising from the initial recognition of assets or liabilities generated by non-business consolidation transactions that neither affect accounting profits nor taxable income (or deductible losses); (2) The deductible temporary differences related to the investment of subsidiaries, associated enterprises, and joint ventures cannot meet the following conditions at the same time: Temporary differences are likely to have reversal in the foreseeable

future, and taxable income used to deduct deductible temporary differences is likely to be obtained in the future.

The Group recognizes deferred tax assets for all deductible losses that have not been utilized to the extent that it is possible to have enough taxable income to offset the deductible losses. The management estimates the time and amount of taxable income in the future by using a lot of judgments, and determines the amount of deferred tax assets to be confirmed in combination with tax planning strategies, so there is uncertainty.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods when the assets are realized or the liabilities are settled.

38. Leases

Applicable N/A

At the inception date of a contract, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one of the parties to the contract transfers the right to control the use of one or more identified assets for a period of time in exchange for consideration.

(1) Separation of Lease Contracts

When a contract contains several individual leases, the Group splits the contract and accounts for each individual lease separately. When a contract contains both leases and non-leases, the Group splits the leases and non-leases, and the leases are accounted for in accordance with the leasing standards, while the non-leases are accounted for in accordance with other applicable accounting standards.

(2) Consolidation of lease contracts

Two or more contracts containing leases entered into by the Group with the same counterparty or its affiliates at the same or similar times shall be consolidated into one contract for accounting purposes when one of the following conditions is met.

a. The two or more contracts are entered into for an overall business purpose and constitute a package transaction, the overall business purpose of which cannot be understood unless considered as a whole.

b. The amount of consideration for one of the two or more contracts is dependent on the pricing or performance of the other contracts.

c. The right to use the asset granted by the two or more contracts together constitutes a single lease.

Basis of judgment and accounting treatment for simplified treatment of short-term leases and leases of low-value assets as a lessee

Applicable N/A

Short-term leases are leases that do not include an option to purchase and have a lease term of less than 12 months. Low-value asset leases are leases with a lower value when the individual leased asset is a brand new asset.

The Group does not recognize right-of-use assets and lease liabilities for the following short-term leases and low-value asset leases, and the related lease payments are charged to the cost of the related assets or to current profit or loss on a straight-line basis over the lease term. The Group recognizes right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets.

Lease classification criteria and accounting treatment as lessor

Applicable N/A

The Group classifies leases as finance leases and operating leases at the commencement date of the lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset, which may or may not ultimately be transferred. Operating leases refer to leases other than finance leases. During the reporting period, the Group's leases were all operating leases, and lease payments under operating leases were recognized as rental income using the straight-line method or other systematic and reasonable methods in each period of the lease term: Initial direct costs incurred in connection with the operating leases were capitalized and apportioned over the lease term on the same basis as the rental income, and were charged to current profit or loss; and variable lease payments relating to operating leases that were not included in the lease payments were charged to current profit or loss when they were actually incurred. Variable lease payments relating to operating leases that are not recognized as lease receipts are recognized in profit or loss when they are actually incurred.

39. Other significant accounting policies and accounting estimates

Applicable N/A

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The Group's management continually evaluates its judgment regarding critical assumptions and uncertainties involved in making estimates. The effects of changes in accounting estimates are recognized in the period in which the estimate is changed and in future periods.

The following accounting estimates and critical assumptions have a significant risk of causing a material adjustment to the book value of assets and liabilities in future periods.

(1) Revenue recognition

Under the new revenue standard, the Group recognizes revenue from construction contracts over a period of time. The recognition of revenue and profit from construction depends on the Group's estimation of the outcome of the contract and the progress of performance. If the actual amount of total revenues and total costs incurred is higher or lower than management's estimates, it will affect the amount of revenue and profit recognized by the Group in future periods;

(2) Impairment of receivables and contract assets

The Group used the expected credit loss model to assess the impairment of financial instruments since January 1, 2019. The application of the expected credit loss model requires significant judgments and estimates that take into account all reasonable and supportable information, including forward-looking information. In making such judgments and estimates, the Group extrapolates the expected changes in the credit risk of debtors based on historical repayment data and factors such as economic policies, macroeconomic indicators, and industry risks. Therefore, the amount of provision for impairment of receivables and contract assets may change in accordance with the changes in the above estimates, and the adjustments to the provision for impairment of receivables and contract assets will affect the profit or loss in the period in which the estimates are changed.

(3) Accounting estimates for provision for impairment of fixed assets and investment properties

The Group performs impairment tests on fixed assets such as buildings, machinery and equipment, and investment properties at the balance sheet date if there is any indication of impairment. The recoverable amount of property, plant and equipment and investment properties is the higher of the present value of estimated future cash flows and the fair value of the assets less costs of disposal, which requires the use of accounting estimates.

If management revises the gross margins used in the calculation of future cash flows for asset groups and portfolios of asset groups and the revised gross margins are lower than the currently used gross margins, the Group is required to increase the provision for impairment for property, plant and equipment and investment properties.

If the pre-tax discount rate used for discounting cash flows is revised by the management and the revised pre-tax discount rate is higher than the current rate, the Group is required to make additional provision for impairment of fixed assets and investment properties.

If the actual gross profit margin or pre-tax discount rate is higher or lower than the management's estimate, the Group cannot reverse the provision for impairment of fixed assets and investment properties.

(4) Useful lives of fixed assets and investment properties

The Group reviews the estimated useful lives of fixed assets and investment properties at least annually at the end of each year. The estimated useful lives are determined by the management based on historical experience of similar assets, reference to estimates generally used in the industry, and expected technological updates. Depreciation and amortization expenses for future periods are adjusted accordingly when there is a significant change in the previous estimates.

(5) Income tax expense

The Group recognizes current and deferred taxes in profit or loss, except for those arising from business combinations and transactions or events directly attributable to owners' equity (including other comprehensive income).

Current income tax is the expected income tax payable calculated on the basis of the taxable income for the year at the rates specified in the tax law, plus adjustments to prior years' income tax payable. At the balance sheet date, if the Group has a legal right to settle on a net basis and intends to settle on a net basis, or to acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are shown net of tax. Deferred tax assets and deferred tax liabilities are recognized

for deductible temporary differences and taxable temporary differences, respectively. A temporary difference is the difference between the book value of an asset or liability and its tax basis, including deductible losses and tax credits that can be carried forward to future years. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax is not recognized for temporary differences arising from transactions that are not part of a business combination and that at the time of the transaction affect neither the accounting profit nor taxable income (or deductible losses). At the balance sheet date, the Group measures the book value of deferred tax assets and liabilities based on the expected manner of recovering or settling those assets and liabilities, in accordance with enacted tax laws, at the tax rates that are expected to apply to the period when the assets are recovered or the liabilities are settled. The book value of deferred tax assets is reviewed at the balance sheet date. The book value of deferred tax assets is written down to the extent that it is more likely than not that sufficient taxable income will not be available to allow the benefit of the deferred tax assets to be realized in future periods. When it is more likely than not that sufficient taxable income will be available to offset the deferred tax assets, the amount written down is reversed.

On the balance sheet date, deferred tax assets and liabilities are netted out when the following conditions are met:

-A taxable entity has a legal right to settle current income tax assets and current income tax liabilities on a net basis;

-Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, provided that in each future period in which significant deferred tax assets and liabilities reverse, the taxable entity intends to settle the current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

40. Changes in significant accounting policies and accounting estimates

For details, refer to the “Explanation for the Company's Analysis of the Reasons for and Impact of Changes in Accounting Policies, Accounting Estimates or Correction of Material Accounting Errors” by the Company under “Milestone Events”.

41. Adjustments to the financial statements as of the beginning of the year of first-time implementation of new accounting standards or interpretations of accounting standards for the first-time implementation of new accounting standards or interpretations of accounting standards from 2025 onwards

Applicable N/A

42. Others

Applicable N/A

(1) Special reserves

The *Administrative Measures for the Extraction and Use of Enterprise Safety Production Fees* (CZ No. 136 [2022]) was released on and implemented as of November 21, 2022, by the Ministry of Finance and the Ministry of Emergency Management. The Group extracted and used safety production fees according to the provisions of CZ No. 136 [2022].

The Group's production safety fees, when being extracted, are recognized as the cost of the relevant products or current profit or loss, and at the same time are included in the “special reserves”.

When the extracted safety production fees are used within the prescribed scope and belong to cost expenditure, the special reserves will be directly reduced. If the fixed assets are formed, the expenditures incurred through the subject of "construction in progress" will be recognized as fixed assets when the project is completed and reaches the scheduled usable state; meanwhile, the cost of forming the fixed asset is deducted from the special reserves, and accumulated depreciation of the same amount is recognized. No depreciation will be accrued against the fixed assets in future periods.

(2) Discontinued operation

Discontinued operation means a separately distinguishable component of the Group that has been disposed of or classified as held for sale if one of the following conditions is met: (1) The component represents a separate principal business or a separate principal operating region; (2) The component is part of an associated plan to dispose of a separate principal business or a separate principal operating region; and (3) The component is a subsidiary acquired exclusively for resale.

In the profit statement, the Group has added the items "Net profit from continuing operations" and "Net profit from discontinued operations" to the item "Net profit", reflecting the profit or loss from continuing operations and the profit or loss from discontinued operations, respectively, on a net after-tax basis. Gains and losses related to discontinued operations shall be reported as discontinued operations, and the discontinued operations gains and losses shall be reported for the entire reporting period, not only for the reporting period after it is recognized as discontinued operations.

(3) Segment reporting

The Group determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system. Two or more operating segments may be consolidated into one if they have similar economic characteristics and at the same time are identical or similar in terms of the nature of the individual products, the nature of the production process, the types of clients for the products, the manner of selling the products, and the impact of laws and administrative regulations on the products produced. The Group determines its reportable segments on the basis of operating segments and on the principle of materiality.

In preparing segment reports, the Group measures revenue from inter-segment transactions on the basis of actual transaction prices. The accounting policies used in the preparation of segment reports are consistent with those used in the preparation of the Group's financial statements.

VI. Taxation

1. Major tax variety and tax rate

Major tax variety and tax rate

Applicable N/A

Tax Variety	Tax Basis	Tax Rate
Value-added tax (VAT)	Based on the provision of technical services, sale of goods, etc.	3.00-13.00
Urban maintenance and construction tax	Levied on the taxable turnover amount	5.00, 7.00
Education surcharge	Levied on the taxable turnover amount	3.00, 2.00
Enterprise income tax	Levied on the taxable income amount	Varies by taxing entity
Property tax	Property tax is calculated based on the residual value of the property after deducting 30% of the original value of the property	1.20, 12.00
Sales and services tax (SST)	Imposed on the provision of technical services, sales of goods and other relevant activities	6.00, 8.00

Disclosure of taxable entities with different corporate income tax rates

Applicable N/A

Name of Taxable Entity	Income Tax Rate (%)
The Company	15
Acter Engineering Technology (Shenzhen) Co., Ltd. ("Acter (Shenzhen)")	25
Shenzhen Dingmao Trading Co., Ltd. ("Shenzhen Dingmao")	25
Acter International Limited ("Acter (Hong Kong)")	16.50
Acter Technology Singapore Pte., Ltd. ("Acter (Singapore)")	17
PT. Acter Technology Indonesia ("Acter (Indonesia)")	22
PT Acter Integration Technology Indonesia ("Indonesia Joint Venture")	Construction service income is collected by the owner at the rate of 2.65% when invoicing;

	non-construction service income is normally subject to the tax rate of 22%
Acter Technology Malaysia Sdn. Bhd. (“Acter (Malaysia)”)	24
Sheng Hwei Engineering Technology Company Limited (“Acter (Vietnam)”)	20
Acter Technology Co., Ltd. (“Acter (Thailand)”)	20

2. Tax incentives

Applicable N/A

On November 6, 2023, the Company obtained the Certificate of High-tech Technology Enterprise (Certificate No. GR202332006213, valid for three years from 2023 to 2025) jointly issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Taxation Bureau of the State Administration of Taxation. During the reporting period, the Company enjoyed a preferential enterprise income tax rate of 15% for high-tech enterprises.

3. Others

Applicable N/A

VII. Notes to the Consolidated Financial Statements

1. Monetary fund

Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
Cash on hand	12,187.35	12,187.35
Bank deposits	687,112,784.72	574,883,794.76
Other monetary funds	89,337,129.96	486,724.06
Deposits placed with finance companies		
Total	776,462,102.03	575,382,706.17
Including: total amount deposited abroad	235,953,238.94	112,491,458.54

In RMB Yuan

Other notes:

Including: monetary fund with restricted use

Item	Balance at the End of the Year	Balance at the Beginning of the Year
Margin/special purpose funds	89,337,129.96	486,724.06
Total	89,337,129.96	486,724.06

2. Trading financial assets

Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance	Reasons and Justifications for Designation

Financial assets at fair value through profit or loss (FVTPL)		50,025,000.00	/
Including:			
Structured deposits		50,025,000.00	/
Financial assets at fair value through other comprehensive income (FVOCI)			
Including:			
Total		50,025,000.00	/

Other notes:

 Applicable N/A**3. Derivative financial assets** Applicable N/A**4. Bills receivable****(1). Classification of bills receivable** Applicable N/A

In RMB Yuan		
Item	Closing Balance	Opening Balance
Bank acceptance bills	7,948,419.65	524,477.32
Financial acceptance bills		43,500.00
Commercial acceptance bills	15,422,333.27	29,202,873.01
Less: provision for bad debts	8,386,000.42	2,372,177.29
Total	14,984,752.50	27,398,673.04

(2). Bills receivable pledged by the Company at the end of the period Applicable N/A**(3). Bills receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date** Applicable N/A

In RMB Yuan		
Item	Amount Derecognized at the End of the Period	Amount not Derecognized at the End of the Period
Bank acceptance bill	214,442.00	600,424.59
Commercial acceptance bill		
Total	214,442.00	600,424.59

(4). Disclosure by method of provision for bad debts Applicable N/A

In RMB Yuan										
Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Proportion (%)	Amount	Accrual Proportion (%)		Amount	Proportion (%)	Amount	Accrual Proportion (%)	

Provision for bad debts on an individual basis										
Including:										
Provision for bad debts by portfolio	23,370,752.92	100.00	8,386,000.42	35.88	14,984,752.50	29,770,850.33	100.00	2,372,177.29	7.97	27,398,673.04
Including:										
Portfolio 1	15,422,333.27	65.99	8,386,000.42	54.38	7,036,332.85	29,246,373.01	98.24	2,372,177.29	8.11	26,874,195.72
Portfolio 2	7,948,419.65	34.01			7,948,419.65	524,477.32	1.76			524,477.32
Total	23,370,752.92	/	8,386,000.42	/	14,984,752.50	29,770,850.33	/	2,372,177.29	/	27,398,673.04

Provision for bad debts on an individual basis:

Applicable N/A

Provision for bad debts by portfolio:

Applicable N/A

Combined accrual item: Portfolio 1

In RMB Yuan

Firm Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Accrual Proportion (%)
Commercial acceptance bills due within one year	15,422,333.27	8,386,000.42	54.38
Total	15,422,333.27	8,386,000.42	54.38

Explanation for provision for bad debts by portfolio

Applicable N/A

Provision for bad debts based on the general model of expected credit

Applicable N/A

In RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected Credit Losses for the Entire Duration (No Credit Impairment)	Expected Credit Losses for the Entire Duration (Credit Impairment Incurred)	
Balance as of January 1, 2025	2,372,177.29			2,372,177.29
Balance as of January 1, 2025 in the period				
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision in the period	6,013,823.13			6,013,823.13

Reversal in the period				
Write-offs in the period				
Cancellations in the period				
Other changes				
Balance at December 31, 2025	8,386,000.42			8,386,000.42

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of bills receivable for which changes in the allowance for losses occurred in the period:

Applicable N/A

(5). Provision for bad debts

Applicable N/A

In RMB Yuan

Category	Opening Balance	Change in the Period				Closing Balance
		Provision	Recovery or Reversal	Write-offs or Cancellations	Other Changes	
Commercial acceptance bills	2,372,177.29	6,013,823.13				8,386,000.42
Total	2,372,177.29	6,013,823.13				8,386,000.42

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:

None

(6). Actual write-off of bills receivable in the period

Applicable N/A

Write-off bills receivable of which significant:

Applicable N/A

Description of bills receivable written off:

Applicable N/A

Other notes:

Applicable N/A

5. Accounts receivable

(1). Disclosure by aging

Applicable N/A

In RMB Yuan

Aging	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	540,075,270.62	358,364,551.48
1-6 months (including 6 months)	496,515,708.62	300,616,397.73

6 months - 1 year (including 1 year)	43,559,562.00	57,748,153.75
1 - 2 years	46,926,702.99	8,953,269.95
2 - 3 years	6,919,421.97	1,927,008.04
3 - 4 years	2,915,097.56	11,830,381.06
4 - 5 years		3,689,666.54
Above 5 years	12,416,759.52	8,927,092.98
Total	609,253,252.66	393,691,970.05

(2). Disclosure by method of provision for bad debts
 Applicable N/A

In RMB Yuan

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual Proportion (%)	
Provision for bad debts on an individual basis	10,343,414.37	1.70	10,343,414.37	100.00	/	10,343,414.37	2.63	10,343,414.37	100.00	/
Including:										
Provision for bad debts by portfolio	598,909,838.29	98.30	26,680,898.11	4.45	572,228,940.18	383,348,555.68	97.37	21,114,978.11	5.51	362,233,577.57
Including:										
Total	609,253,252.66	100.00	37,024,312.48		572,228,940.18	393,691,970.05	100.00	31,458,392.48		362,233,577.57

Provision for bad debts on an individual basis:

 Applicable N/A

In RMB Yuan

Firm Name	Closing Balance			
	Book Balance	Provision for Bad Debts	Accrual Proportion (%)	Reason for Provision
Qinghua Group Xinjiang Coal Chemical Industry Co., Ltd.	6,570,214.37	6,570,214.37	100.00	Debtor's financial difficulties
Suzhou Mingqiao Municipal Engineering Co., Ltd.	2,158,200.00	2,158,200.00	100.00	Debtor's financial difficulties
Fujian Fuchen Technology Co., Ltd.	1,615,000.00	1,615,000.00	100.00	Debtor's financial difficulties
Total	10,343,414.37	10,343,414.37	100.00	/

Explanation for provision for bad debts on an individual basis:

 Applicable N/A

Provision for bad debts by portfolio:

 Applicable N/A

Combined accrual item: aging portfolio

In RMB Yuan

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Accrual Proportion (%)
1-6 months (including 6 months)	496,515,708.62	14,895,471.39	3.00
6 months - 1 year (including 1 year)	43,559,562.00	2,177,978.10	5.00
1-2 years (including 2 years)	46,926,702.99	4,692,670.30	10.00
2-3 years (including 3 years)	6,919,421.97	1,383,884.39	20.00
3-4 years (including 4 years)	2,915,097.56	1,457,548.78	50.00
4-5 years (including 5 years)			80.00
Above 5 years	2,073,345.15	2,073,345.15	100.00
Total	598,909,838.29	26,680,898.11	

Explanation for provision for bad debts by portfolio:

 Applicable N/A

Provision for bad debts based on the general model of expected credit

 Applicable N/A

In RMB Yuan

Provision for Bad Debts	Phase I	Phase II	Phase III	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses for the Entire Duration (No Credit Impairment)	Expected Credit Losses for the Entire Duration (Credit Impairment Incurred)	
Balance as of January 1, 2025	31,458,392.48			31,458,392.48
Balance as of January 1, 2025 in the period				
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision in the period	5,793,933.70			5,793,933.70
Reversal in the period				
Write-offs in the period				
Cancellations in the period				
Other changes	-228,013.70			-228,013.70
Balance at December 31, 2025	37,024,312.48			37,024,312.48

The basis for the classification of each stage and the accrual proportion for bad debts

See V. 13. Accounts receivable in this section

Explanation for significant changes in the book balance of accounts receivable for which changes in the allowance for losses occurred in the period:

 Applicable N/A

(3). Provision for bad debts Applicable N/A

In RMB Yuan

Category	Opening Balance	Change in the Period			Closing Balance
		Provision	Recovery or Reversal	Write-offs or Cancellations	
Provision for bad debts	31,458,392.48	5,793,933.70			37,024,312.48
Total	31,458,392.48	5,793,933.70			37,024,312.48

Of which the amount of bad debt provision recovered or reversed in the period is significant:

 Applicable N/A

Other notes:

None

(4). Accounts receivable actually written off in the period Applicable N/A

Significant accounts receivable written off among them

 Applicable N/A

Description of accounts receivable written off:

 Applicable N/A**(5). Accounts receivable and contract assets with top five closing balances summarized by party owed to the Company** Applicable N/A

In RMB Yuan

Unit Name	Closing Balance of Accounts Receivable	Closing Balance of Contract Assets	Closing Balance of Accounts Receivable and Contract Assets	Percentage of Total Closing Balances of Accounts Receivable and Contract Assets (%)	Closing Balance of Provision for Bad Debts
Company 1	134,591,888.40		134,591,888.40	10.84	4,037,756.65
Company 2		103,870,884.38	103,870,884.38	8.37	519,354.42
Tripod Technology Corporation	74,382,776.01	19,464,938.35	93,847,714.36	7.56	2,328,807.93
Company 3	58,709,868.68	28,296,301.30	87,006,169.98	7.01	4,161,482.68
Company 4		85,792,871.34	85,792,871.34	6.91	438,199.32
Total	267,684,533.09	237,424,995.37	505,109,528.46	40.69	11,485,601.00

Other notes:

None

Other notes:

 Applicable N/A**6. Contract assets****(1). Status of contract assets** Applicable N/A

In RMB Yuan

Item	Closing Balance			Opening Balance		
	Book balance	Provision for Bad Debts	Book Value	Book Balance	Provision for Bad Debts	Book Value
Unexpired warranty deposits	33,795,583.77	1,624,424.04	32,171,159.73	61,291,470.74	7,614,564.88	53,676,905.86
Completed unsettled assets arising from construction contracts	598,543,965.58	2,992,719.83	595,551,245.75	514,801,150.35	2,574,005.81	512,227,144.54
Total	632,339,549.35	4,617,143.87	627,722,405.48	576,092,621.09	10,188,570.69	565,904,050.40

(2). Amounts and reasons for significant changes in book value during the reporting period Applicable N/A**(3). Disclosure by method of provision for bad debts** Applicable N/A

In RMB Yuan

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Proportion (%)	Amount	Accrual Proportion (%)		Amount	Proportion (%)	Amount	Accrual Proportion (%)	
Provision for bad debts on an individual basis						3,110,867.10	100.00	3,110,867.10	100.00	/
Including:										
Provision for bad debts by portfolio	632,339,549.35	100.00	4,617,143.87	0.73	627,722,405.48	572,981,753.99	99.46	7,077,703.59	1.24	565,904,050.40
Including:										
- Unexpired warranty deposits	33,795,583.77	5.34	1,624,424.04	4.81	32,171,159.73	58,180,603.64	10.10	4,503,697.78	7.74	53,676,905.86

- Completed unsettled assets arising from construction contracts	598,543,965.58	94.66	2,992,719.83	0.50	595,551,245.75	514,801,150.35	89.36	2,574,005.81	0.50	512,227,144.54
Total	632,339,549.35	/	4,617,143.87	/	627,722,405.48	576,092,621.09	/	10,188,570.69	/	565,904,050.40

Provision for bad debts on an individual basis:

Applicable N/A

Explanation for provision for bad debts on an individual basis:

Applicable N/A

Provision for bad debts by portfolio:

Applicable N/A

Combined accrual item: provision by portfolio

In RMB Yuan

Firm Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Accrual Proportion (%)
- Unexpired warranty deposits	33,795,583.77	1,624,424.04	4.81
- Completed unsettled assets arising from construction contracts	598,543,965.58	2,992,719.83	0.50
Total	632,339,549.35	4,617,143.87	0.73

Explanation for provision for bad debts by portfolio

Applicable N/A

Provision for bad debts based on the general model of expected credit

Applicable N/A

In RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses for the Entire Duration (No Credit Impairment)	Expected Credit Losses for the Entire Duration (Credit Impairment Incurred)	
Balance as of January 1, 2025	10,188,570.69			10,188,570.69
Balance as of January 1, 2025 in the period				
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision in the period	5,542,555.36			5,542,555.36
Reversal in the period				
Write-offs in the period				

Cancellations in the period				
Other changes	-28,871.46			-28,871.46
Balance at December 31, 2025	4,617,143.87			4,617,143.87

The basis for the classification of each stage and the accrual proportion for bad debts
See V. 17. Contract assets in this section

Explanation for significant changes in the book balance of contract assets for which changes in the provision for losses occurred in the period:

Applicable N/A

(4). Provision for bad debts on contract assets in the period

Applicable N/A

In RMB Yuan

Item	Opening balance	Change in the Period				Closing Balance	Reason
		Provision in the Period	Recovered or Reversed in the Period	Write-off/Cancellation in the Period	Other Changes		
Provision for Bad Debts	10,188,570.69	-5,542,555.36			-28,871.46	4,617,143.87	
Total	10,188,570.69	-5,542,555.36			-28,871.46	4,617,143.87	/

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:

None

(5). Contract assets actually written off in the period

Applicable N/A

Significant contract assets written off

Applicable N/A

Description of contract assets written off:

Applicable N/A

Other notes:

Applicable N/A

7. Receivables financing

(1). Classification of receivables financing

Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
Bank acceptance bills	3,581,195.46	2,499,031.97

Total	3,581,195.46	2,499,031.97
-------	--------------	--------------

(2). Receivable financing pledged by the Company at the end of the period

Applicable N/A

(3). Receivable financing endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

Applicable N/A

(4). Disclosure by method of provision for bad debts

Applicable N/A

In RMB Yuan

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts			Book Balance		Provision for Bad Debts		
	Amount	Proportion (%)	Amount	Accrual Proportion (%)	Book Value	Amount	Proportion (%)	Amount	Accrual Proportion (%)	Book Value
Provision for bad debts on an individual basis										
Including:										
Provision for bad debts by portfolio	3,581,195.46				3,581,195.46	2,499,031.97				2,499,031.97
Including:										
Portfolio 2	3,581,195.46				3,581,195.46	2,499,031.97				2,499,031.97
Total	3,581,195.46				3,581,195.46	2,499,031.97	/		/	2,499,031.97

Provision for bad debts on an individual basis:

Applicable N/A

Explanation for provision for bad debts on an individual basis:

Applicable N/A

Provision for bad debts by portfolio:

Applicable N/A

Combined accrual item: Portfolio 2

In RMB Yuan

Firm Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Accrual Proportion (%)
Portfolio 2	3,581,195.46		
Total	3,581,195.46		

Explanation for provision for bad debts by portfolio

Applicable N/A

Bad debt provisioning by portfolio 2: The Group measured the bad debt reserve of bank acceptance bills according to the expected credit loss during the whole duration at the end of the reporting period. The Group believes that there is no significant credit risk in the bank acceptance bills held by it, and there will be no significant loss due to the default of the bank or other drawer.

The confirmation standards and explanation for bad debt provisioning by portfolio 2 are shown in this section V.11.

Provision for bad debts based on the general model of expected credit

Applicable N/A

The basis for the classification of each stage and the accrual proportion for bad debts

None

Description of significant changes in the book balance of receivables financing for which changes in the allowance for losses occurred in the period:

Applicable N/A

(5). Provision for bad debts

Applicable N/A

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:

None

(6). Receivables financing actually written off in the period

Applicable N/A

Write-off of receivables financing of which significant amount

Applicable N/A

Description of write-offs:

Applicable N/A

(7). Increase/decrease and change in fair value of receivables financing in the period:

Applicable N/A

(8). Others

Applicable N/A

8. Prepayments

(1). Prepayments by aging

Applicable N/A

In RMB Yuan

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	82,315,039.22	96.79	104,537,849.88	94.48
1 - 2 years	2,732,801.14	3.21	6,109,210.38	5.52

2 - 3 years				
Above 3 years				
Total	85,047,840.36	100.00	110,647,060.26	100.00

Explanation for the reasons for the delayed settlement of prepayments aged over 1 year and with significant amounts:

None

(2). Prepayments with the top five closing balances grouped by prepayment recipients

Applicable N/A

In RMB Yuan

Suppliers	Closing Balance	Percentage of Total Closing Balance of Prepayments (%)
CHRIST WATER TECHNOLOGY GmbH	8,385,967.00	9.86
Shanghai Walsin Lihwa Power Cable & Wire Co., Ltd.	4,680,363.54	5.50
Air Liquide (China) R&D Co., Ltd.	4,575,331.96	5.38
Far East Cable Co., Ltd.	4,288,675.04	5.04
Company I	3,572,683.00	4.20
Total	25,503,020.54	29.98

Other notes:

None

Other notes:

Applicable N/A

9. Other receivables

Item presentation

Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
Interest receivable		
Dividends receivable		
Other receivables	10,399,844.12	9,824,375.86
Total	10,399,844.12	9,824,375.86

Other notes:

Applicable N/A

Interest receivable

(1). Classification of interest receivable

Applicable N/A

(2). Significant overdue interest

Applicable N/A

(3). Disclosure by method of provision for bad debts

Applicable N/A

Provision for bad debts on an individual basis:

Applicable N/A

Explanation for provision for bad debts on an individual basis:

Applicable N/A

Provision for bad debts by portfolio:

Applicable N/A

(4). Provision for bad debts based on the general model of expected credit

Applicable N/A

The basis for the classification of each stage and the accrual proportion for bad debts

None

Explanation for significant changes in the book balance of interest receivables for which changes in the allowance for losses occurred in the period:

Applicable N/A

(5). Provision for bad debts

Applicable N/A

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:

None

(6). Actual write-off of interest receivable in the period

Applicable N/A

Write-off of significant interest receivables

Applicable N/A

Description of write-offs:

Applicable N/A

Other notes:

Applicable N/A

Dividends receivable

(1). Dividends receivable

Applicable N/A

(2). Significant dividends receivable with an age of more than 1 year

Applicable N/A

(3). Disclosure by method of provision for bad debts

Applicable N/A

Provision for bad debts on an individual basis:

Applicable N/A

Explanation for provision for bad debts on an individual basis:

Applicable N/A

Provision for bad debts by portfolio:

Applicable N/A

(4). Provision for bad debts based on the general model of expected credit

Applicable N/A

The basis for the classification of each stage and the accrual proportion for bad debts

None

Explanation for significant changes in the book balance of dividend receivables for which changes in the allowance for losses occurred in the period:

Applicable N/A

(5). Provision for bad debts

Applicable N/A

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:

None

(6). Dividends receivable actually written off in the period

Applicable N/A

Write-off of significant dividends receivable

Applicable N/A

Description of write-offs:

Applicable N/A

Other notes:

Applicable N/A

Other receivables**(1). Disclosure by aging**

Applicable N/A

	In RMB Yuan	
Aging	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	5,441,331.93	7,752,514.41
Including:		

Within 1 year	5,441,331.93	7,752,514.41
1 - 2 years	3,615,700.70	623,650.36
2 - 3 years	636,805.47	1,403,853.42
3 - 4 years	1,233,455.30	529,158.44
4 - 5 years	70,724.26	117,325.44
Above 5 years	106,040.47	117,748.56
Total	11,104,058.13	10,544,250.63

(2). Breakdown by nature of payment
 Applicable N/A

In RMB Yuan

Nature of Payment	Closing Book Balance	Opening Book Balance
Margin and deposit	6,910,043.53	7,876,507.76
Imprest	1,659,188.25	1,578,992.76
Others	2,534,826.35	1,088,750.11
Subtotal	11,104,058.13	10,544,250.63
Provision for bad debts	704,214.01	719,874.77
Total	10,399,844.12	9,824,375.86

(3). Provision for bad debts
 Applicable N/A

In RMB Yuan

Provision for Bad Debts	Phase I	Phase II	Phase III	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses for the Entire Duration (No Credit Impairment)	Expected Credit Losses for the Entire Duration (Credit Impairment Incurred)	
Balance as of January 1, 2025				
Balance as of January 1, 2025 in the period	719,874.77			719,874.77
-- Transferred to Phase II				
-- Transferred to Phase III	-13,898.93		13,898.93	
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision in the period	5,696.36			5,696.36
Reversal in the period				
Write-offs in the period				
Cancellations in the period			-13,898.93	-13,898.93
Other changes	-7,458.19			-7,458.19
Balance at December 31, 2025	704,214.01			704,214.01

The basis for the classification of each stage and the accrual proportion for bad debts
See V. 15. Other receivables in this section

Explanation for significant changes in the book balance of other receivables for which changes in provision for losses occurred in the period:

Applicable N/A

The amount of provision for bad debts for the current period and the basis adopted for assessing whether there is a significant increase in the credit risk of financial instruments:

Applicable N/A

(4). Provision for bad debts

Applicable N/A

In RMB Yuan

Category	Opening Balance	Change in the Period				Closing Balance
		Provision	Recovery or Reversal	Write-offs or Cancellations	Other Changes	
Provision for bad debts	719,874.77	5,696.36		-13,898.93	-7,458.19	704,214.01
Total	719,874.77	5,696.36		-13,898.93	-7,458.19	704,214.01

Of which the amount of provision for bad debts reversed or recovered in the period is significant:

Applicable N/A

Other notes:

None

(5). Other receivables actually written off in the period

Applicable N/A

Significant other receivables written off in the period:

Applicable N/A

Description of other receivables written off:

Applicable N/A

(6). Other receivables with the top five closing balances grouped by party owed

Applicable N/A

In RMB Yuan

Unit Name	Closing Balance	Percentage of Total Closing Balance of Other Receivables (%)	Nature of Amount	Aging	Provision for Bad Debts Closing Balance
Copyright Nanjing Keystone Technology Co., Ltd.	2,084,051.41	18.77	Margin	1-2 years	104,202.57

Jiangsu Carplus Financial Leasing Co., Ltd.	1,404,000.00	12.64	Margin	Within 1 year, 1-2 years, 2-3 years, 3-4 years	70,200.00
Project site imprest	570,400.00	5.14	Imprest	Within 1 year, 1-2 years, 3-4 years	44,020.00
Chongqing SIMIC Semiconductor Limited	496,400.00	4.47	Margin	Within 1 year	24,820.00
Innoscence (Suzhou) Technology Co., Ltd.	400,000.00	3.60	Margin	Within 1 year	20,000.00
Total	4,954,851.41	44.62	/	/	263,242.57

(7). Presented in other receivables due to centralized management of funds

Applicable N/A

Other notes:

Applicable N/A

10. Inventory**(1). Classification of inventories**

Applicable N/A

In RMB Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Provision for Decline in Value of Inventories/Impairment of Contractual Performance Costs	Book Value	Book Balance	Provision for Decline in Value of Inventories/Impairment of Contractual Performance Costs	Book value
Construction materials	7,110,338.18	106,441.21	7,003,896.97	3,585,610.06		3,585,610.06
Total	7,110,338.18	106,441.21	7,003,896.97	3,585,610.06		3,585,610.06

(2). Data resources recognized as inventory

Applicable N/A

(3). Provision for decline in value of inventories and provision for impairment of contract performance costs

Applicable N/A

Reasons for reversal or write-off of provision for decline in value of inventories in the period

Applicable N/A

Provision for decline in value of inventories by portfolio

Applicable N/A

Provisioning criteria for provision for inventory valuation by portfolio

Applicable N/A

(4). Amount of borrowing costs capitalized in the closing balance of inventories, and the criteria and basis for calculating such capitalized costs

Applicable N/A

(5). Explanation for the amount of amortization of contract performance costs for the current period

Applicable N/A

Other notes:

Applicable N/A

11. Assets held for sale

Applicable N/A

12. Non-current assets due within one year

Applicable N/A

Debt investments due within one year

Applicable N/A

Other debt investments maturing within one year

Applicable N/A

Other non-current assets due within one year:

None

13. Other current assets

Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Prepaid VAT and inputs to be deducted	128,006,850.49	114,659,210.59
Other taxes paid in advance	3,087,658.32	4,171,524.94
Unamortized expenses	603,309.62	2,575,062.52
Others	605,114.05	106,361.45
Total	132,302,932.48	121,512,159.50

Other notes:

None

14. Debt Investments

(1). Debt investments

Applicable N/A

Changes in provision for impairment of debt investments in the period

Applicable N/A

(2). Significant debt investments at the end of the period

Applicable N/A

(3). Provision for impairment

Applicable N/A

The basis for classification of each stage and the accrual proportion for impairment:

None

Explanation for significant changes in the book balance of debt investments for which changes in provision for losses occurred in the period:

Applicable N/A

Amount of provision for impairment for the current period and the basis adopted for assessing whether there is a significant increase in credit risk of financial instruments:

Applicable N/A

(4). Actual write-off of debt investments in the period

Applicable N/A

Write-off of significant debt investments

Applicable N/A

Description of write-off of debt investments:

Applicable N/A

Other notes:

Applicable N/A

15. Other debt investments

(1). Other debt investments

Applicable N/A

Changes in provision for impairment of other debt investments in the period

Applicable N/A

(2). Significant other debt investments at the end of the period

Applicable N/A

(3). Provision for impairment

Applicable N/A

The basis for classification of each stage and the accrual proportion for impairment:

None

Explanation for significant changes in the book balance of other debt investments for which changes in provision for losses occurred in the period:

Applicable N/A

Amount of provision for impairment for the current period and the basis adopted for assessing whether there is a significant increase in credit risk of financial instruments:

Applicable N/A

(4). Other debt investments actually written off in the period

Applicable N/A

Write-off of significant other debt investments in the period

Applicable N/A

Write-off description of other debt investments:

Applicable N/A

Other notes:

Applicable N/A

16. Long-term receivables

(1). Long-term receivables

Applicable N/A

(2). Disclosure by method of provision for bad debts

Applicable N/A

Provision for bad debts on an individual basis:

Applicable N/A

Explanation for provision for bad debts on an individual basis:

Applicable N/A

Provision for bad debts by portfolio:

Applicable N/A

(3). Provision for bad debts based on the general model of expected credit

Applicable N/A

The basis for the classification of each stage and the accrual proportion for bad debts

None

Explanation for significant changes in the book balance of long-term receivables for which changes in the allowance for losses occurred in the period:

Applicable N/A

Amount of provision for bad debts for the current period and the basis adopted for assessing whether there

is a significant increase in the credit risk of financial instruments:

Applicable N/A

(4). Provision for bad debts

Applicable N/A

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:

None

(5). Long-term receivables actually written off in the period

Applicable N/A

Write-off of significant long-term receivables

Applicable N/A

Description of long-term receivables written off:

Applicable N/A

Other notes:

Applicable N/A

17. Long-term equity investment

(1). Long-term equity investments

Applicable N/A

In RMB Yuan

Investees	Beginning Balance (Book Value)	Change in the Period								Closing balance (Book Value)	Closing Balance of Provision for Impairment
		Additions to Investments	Decrease in Investments	Gains and Losses on Investments Recognized Under the Equity Method	Other Comprehensive Income Adjustments	Change in Equity	Declaration of Cash Dividends or Profits	Provision for Impairment	Others		
I. Joint Ventures											
Subtotal											
II. Associates											
Space Engineering Co., Ltd.	1,409,749.12			-34,120.50	76,377.94					1,452,006.56	
Daejin Road (Thailand)	471,517.34			-8,308.32	27,570.21					490,779.23	

d) Co., Ltd.											
DJR (Thailand) Co., Ltd.	461,592.77			-12,577.92	29,324.78					478,339.63	
Subtotal	2,342,859.23			-55,006.74	133,272.93					2,421,125.42	
Total	2,342,859.23			-55,006.74	133,272.93					2,421,125.42	

(2). Impairment testing of long-term equity investments

Applicable N/A

Other notes:

None

18. Investments in other equity instruments**(1). Investments in other equity instruments**

Applicable N/A

In RMB Yuan

Item	Beginning Balance	Change in the Period					Closing Balance	Dividend Income Recognized in the Period	Accumulated Gains included in Other Comprehensive Income	Accumulated Losses included in Other Comprehensive Income	The Reason of Measuring Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)
		Additions to Investments	Decrease in Investments	Gains included in Other comprehensive Income in the Period	Losses included in Other Comprehensive Income in the period	Others					
Strategic placement project of Wafer Works	12,947,918.04			1,575,462.42			14,523,380.46			476,610.48	
Total	12,947,918.04			1,575,462.42			14,523,380.46			476,610.48	

(2). Description of derecognition in the period

Applicable N/A

Other notes:

Applicable N/A

19. Other non-current financial assets

Applicable N/A

Other notes:

Applicable N/A

20. Investment properties

Measurement model of investment properties

(1). Investment properties measured at cost

In RMB Yuan

Item	Houses and Buildings	Land Use Rights	Construction in Progress	Total
I. Original Book Value				
1. Opening balance	2,100,240.00	727,500.00		2,827,740.00
2. Increase in the period	1,475,959.61			1,475,959.61
(1) Purchases				
(2) Transfer from inventories/fixed assets/construction in progress	1,475,959.61			1,475,959.61
(3) Increase from business combination				
3. Decrease in the period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance	3,576,199.61	727,500.00		4,303,699.61
II. Accumulated Depreciation and accumulated Amortization				
1. Opening balance	1,890,216.00	405,816.36		2,296,032.36
2. Increase in the period	122,689.15	19,795.92		142,485.07
(1) Provision or amortization		19,795.92		19,795.92
(2) Transfer-in of fixed assets	122,689.15			122,689.15
3. Decrease in the period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance	2,012,905.15	425,612.28		2,438,517.43
III. Provision for Impairment				
1. Opening balance				
2. Increase in the period				
(1) Provision				
3. Decrease in the period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance				
IV. Book Value				
1. Closing book balance	1,563,294.46	301,887.72		1,865,182.18
2. Opening book balance	210,024.00	321,683.64		531,707.64

(2). Status of investment properties for which title certificates have not been completed Applicable N/A**(3). Impairment testing of investment properties using the cost measurement model** Applicable N/A

Other notes:

Applicable N/A

(1) The recoverable amount of investment properties was not lower than the book value on December 31, 2025, so no provision for impairment was made.

(2) The Group has no investment properties of which the title certificate has not been completed.

(3) The investment properties were not used for mortgage, guarantee, or other ownership restrictions as of December 31, 2025.

21. Fixed assets

Item presentation

Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
Fixed assets	59,703,226.02	56,924,292.01
Liquidation of fixed assets		
Total	59,703,226.02	56,924,292.01

Other notes:

Applicable N/A

Fixed assets

(1). Fixed assets

Applicable N/A

In RMB Yuan

Item	Houses and Buildings	Office and Electronic Equipment	Transportation Equipment	Total
I. Original Book Value:				
1. Opening balance	69,826,368.70	7,213,613.12	5,535,801.88	82,575,783.70
2. Increase in the period	8,560,758.48	311,644.11	2,252,633.07	11,125,035.66
(1) Acquisitions		360,911.59	1,049,413.23	1,410,324.82
(2) Transfer from construction in progress	8,563,006.11			8,563,006.11
(3) Increase from business combination				
(4) Transfer from right-of-use assets			1,332,253.34	1,332,253.34
(5) Effect of exchange rate changes	-2,247.63	-49,267.48	-129,033.50	-180,548.61
3. Decrease in the period	1,475,959.61	174,068.07	1,045,831.54	2,695,859.22
(1) Disposal or scrapping		174,068.07	1,045,831.54	1,219,899.61
(2) Financial lease	1,475,959.61			1,475,959.61
4. Closing balance	76,911,167.57	7,351,189.16	6,742,603.41	91,004,960.14
II. Accumulated Depreciation				
1. Opening balance	19,789,675.48	2,786,301.67	3,075,514.54	25,651,491.69
2. Increase in the period	4,034,374.35	986,360.93	1,927,687.42	6,948,422.70
(1) Provision	4,035,906.84	1,018,939.19	695,967.81	5,750,813.84

(2) Transfer from right-of-use assets			1,265,640.67	1,265,640.67
(3) Effect of exchange rate changes	-1,532.49	-32,578.26	-33,921.06	-68,031.81
3. Decrease in the period	122,689.15	165,599.66	1,009,891.46	1,298,180.27
(1) Disposal or scrapping		165,599.66	1,009,891.46	1,175,491.12
(2) Financial lease	122,689.15			122,689.15
4. Closing balance	23,701,360.68	3,607,062.94	3,993,310.50	31,301,734.12
II. Provision for Impairment				
1. Opening balance				
2. Increase in the period				
(1) Provision				
3. Decrease in the period				
(1) Disposal or scrapping				
4. Closing balance				
IV. Book Value				
1. Closing book balance	53,209,806.89	3,744,126.22	2,749,292.91	59,703,226.02
2. Opening book balance	50,036,693.22	4,427,311.45	2,460,287.34	56,924,292.01

(2). Temporarily idle fixed assets

Applicable N/A

(3). Fixed assets leased out under operating leases

Applicable N/A

(4). Fixed assets for which title certificates have not been issued

Applicable N/A

(5). Impairment test of fixed assets

Applicable N/A

Other notes:

Applicable N/A

Liquidation of fixed assets

Applicable N/A

22. Construction in progress**Item presentation**

Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
Building renovation		2,577,156.79

Construction materials		
Total		2,577,156.79

Other notes:

 Applicable N/A**Construction in progress****(1). Construction in progress** Applicable N/A

In RMB Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Building renovation				2,577,156.79		2,577,156.79
Total				2,577,156.79		2,577,156.79

(2). Changes in significant construction-in-progress items in the period Applicable N/A

In RMB Yuan

Item	Budgeted Amount	Beginning balance	Increase in the Period	Amount Transferred to Fixed Assets in the Period	Other Decreases in the Period	Closing Balance	Proportion of Cumulative Investment in Construction in Budget (%)	Progress of Construction	Accumulated Interest Capitalization	Including: of Which Amount of Interest Capitalized for the Period	Current Interest Capitalization Rate (%)	Capital Source
Building renovation		2,577,156.79	5,985,849.32	8,563,006.11								
Total		2,577,156.79	5,985,849.32	8,563,006.11			/	/			/	/

(3). Provision for impairment of construction in progress for the current period Applicable N/A**(4). Impairment test of construction in progress** Applicable N/A

Other notes:

Applicable N/A

Construction materials

(1). Construction materials

Applicable N/A

23. Productive biological assets

(1). Productive biological assets measured at cost

Applicable N/A

(2). Impairment testing of producing biological assets measured at cost

Applicable N/A

(3). Adoption of the fair value measurement model for productive biological assets

Applicable N/A

Other notes:

Applicable N/A

24. Oil and gas assets

(1). Oil and gas assets

Applicable N/A

(2). Impairment testing of oil and gas assets

Applicable N/A

Other notes:

None

25. Right-of-use assets

(1) Right-of-use assets

Applicable N/A

In RMB Yuan

Item	Lease of Buildings	Means of Transportation	Total
I. Original Book Value			
1. Opening balance	4,378,244.29	4,255,417.14	8,633,661.43
2. Increase in the period	1,760,352.29	1,658,150.82	3,418,503.11
(1) Leased-in	1,885,727.25	1,676,997.62	3,562,724.87
(2) Exchange rate changes	-125,374.96	-18,846.80	-144,221.76
3. Decrease in the period	2,084,100.37	1,874,885.72	3,958,986.09
(1) Disposal	2,084,100.37	542,632.38	2,626,732.75

(2) Purchase upon maturity and transfer to fixed assets		1,332,253.34	1,332,253.34
4. Closing balance	4,054,496.21	4,038,682.24	8,093,178.45
II. Accumulated Depreciation			
1. Opening balance	1,882,380.32	2,686,668.31	4,569,048.63
2. Increase in the period	1,817,461.77	1,196,512.36	3,013,974.13
(1) Accrual	1,865,253.20	1,199,510.73	3,064,763.93
(2) Exchange rate changes	-47,791.43	-2,998.37	-50,789.80
3. Decrease in the period	1,954,708.30	1,783,010.97	3,737,719.27
(1) Disposal	1,954,708.30	517,370.30	2,472,078.60
(2) Purchase upon maturity and transfer to fixed assets		1,265,640.67	1,265,640.67
4. Closing balance	1,745,133.79	2,100,169.70	3,845,303.49
III. Provision for Impairment			
1. Opening balance			
2. Increase in the period			
(1) Accrual			
3. Decrease in the period			
(1) Disposal			
4. Closing balance			
IV. Book Value			
1. Closing book balance	2,309,362.42	1,938,512.54	4,247,874.96
2. Opening book balance	2,495,863.97	1,568,748.83	4,064,612.80

(2) Impairment test of right-of-use assets

Applicable N/A

Other notes:

None

26. Intangible assets**(1). Intangible assets**

Applicable N/A

In RMB Yuan

Item	Land Use Rights	Patents	Non-patented Technology	Computer Software	Total
I. Original Book Value					
1. Opening balance	8,240,016.48			3,887,253.10	12,127,269.58
2. Increase in the period				192,050.75	192,050.75
(1) Acquisition				192,050.75	192,050.75
(2) Internal R&D					

(3) Increase in business combination					
3. Decrease in the period				770.00	770.00
(1) Disposal					
(2) Effect of exchange rate changes				770.00	770.00
4. Closing balance	8,240,016.48			4,078,533.85	12,318,550.33
II. Accumulated Amortization					
1. Opening balance	2,307,204.47			2,126,991.75	4,434,196.22
2. Increase in the period	164,800.32			246,703.64	411,503.96
(1) Provision	164,800.32			246,703.64	411,503.96
3. Decrease in the period				449.17	449.17
(1) Disposal					
(2) Effect of exchange rate changes				449.17	449.17
4. Closing balance	2,472,004.79			2,373,246.22	4,845,251.01
III. Provision for Impairment					
1. Opening balance					
2. Increase in the period					
(1) Provision					
3. Decrease in the period					
(1) Disposal					
4. Closing balance					
IV. Book Value					
1. Closing book balance	5,768,011.69			1,705,287.63	7,473,299.32
2. Opening book balance	5,932,812.01			1,760,261.35	7,693,073.36

The proportion of intangible assets formed through in-house R&D to the balance of intangible assets at the end of the period was 0.

(2). Data resources recognized as intangible assets

Applicable N/A

(3). Land use rights for which title certificates have not been issued

Applicable N/A

(4) Impairment test of intangible assets

Applicable N/A

Other notes:

Applicable N/A

27. Goodwill

(1). Original book value of goodwill

Applicable N/A

(2). Provision for impairment of goodwill

Applicable N/A

(3). Information about the asset group or portfolio of asset groups in which goodwill is located

Applicable N/A

Changes in the asset group or portfolio of asset groups

Applicable N/A

Other notes:

Applicable N/A

(4). Specific method of determining recoverable amount

The recoverable amount is determined as the net fair value less disposal costs.

Applicable N/A

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

Applicable N/A

Reasons for the differences between the aforementioned information and the information used in the impairment test in prior years or external information that is obviously inconsistent

Applicable N/A

Reasons for differences between the information used in the Company's impairment tests in prior years and the actual situation in the current year that are clearly inconsistent with each other

Applicable N/A

(5). Performance commitments and corresponding goodwill impairment

Performance commitments existed at the time of the formation of goodwill and the reporting period or the prior period of the reporting period was within the performance commitment period.

Applicable N/A

Other notes:

Applicable N/A

28. Long-term unamortized expenses

Applicable N/A

29. Deferred tax assets/deferred tax liabilities**(1). Deferred tax assets not offset** Applicable N/A

In RMB Yuan

Item	Closing Balance		Opening Balance	
	Deductible Temporary Differences	Deferred Tax Assets	Deductible Temporary Differences	Deferred Tax Assets
Impairment of inventories and contract assets	4,669,603.36	756,422.98	10,188,570.69	1,667,797.92
Provision for bad debts	46,878,067.96	8,570,970.78	35,333,599.67	6,256,466.91
Temporary estimates payable	33,985,357.70	6,432,567.44	9,111,158.66	1,545,342.31
Estimated liabilities	12,951,146.25	2,292,943.59	11,183,840.39	1,994,231.49
Others	5,508,172.21	934,654.86	7,774,065.30	1,291,676.51
Total	103,992,347.48	18,987,559.65	73,591,234.71	12,755,515.14

(2). Deferred tax liabilities without offset Applicable N/A

In RMB Yuan

Item	Closing Balance		Opening Balance	
	Taxable Temporary Differences	Deferred Tax Liabilities	Taxable Temporary Differences	Deferred Tax Liabilities
Withholding tax on available-for-distribution dividends from foreign subsidiaries (10%)	269,059,776.14	26,905,977.61	167,424,359.10	16,742,435.91
Impact of right-of-use assets	4,121,840.51	769,520.49	3,962,322.17	725,687.41
Others	9,571,766.38	1,611,831.91	1,218,294.89	243,658.98
Total	282,753,383.03	29,287,330.01	172,604,976.16	17,711,782.30

(3). Deferred tax assets or liabilities presented at net amount after offsetting Applicable N/A**(4). Details of unrecognized deferred tax assets** Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
Deductible temporary differences		
Deductible losses	1,147,960.95	3,069,448.06
Total	1,147,960.95	3,069,448.06

(5). The deductible losses for which no deferred tax assets have been recognized will expire in the following years Applicable N/A

Other notes:

 Applicable N/A**30. Other non-current assets** Applicable N/A

In RMB Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Margin receivables	21,692,099.91	696,339.28	20,995,760.63	24,444,658.98	783,155.13	23,661,503.85
Total	21,692,099.91	696,339.28	20,995,760.63	24,444,658.98	783,155.13	23,661,503.85

Other notes:

None

31. Assets with restricted ownership or right to use Applicable N/A

In RMB Yuan

Item	End of the Period				Beginning of the Period			
	Book Balance	Book Value	Type of Restriction	Restriction	Book Balance	Book value	Type of Restriction	Restriction
Monetary fund	89,337,129.96	89,337,129.96	Other	Margin/special purpose funds	486,724.06	486,724.06	Other	Deposit restriction
Bills receivable								
Inventories								
Including: data resource								
Fixed assets								
Intangible assets								
Including: data resource								
Total	89,337,129.96	89,337,129.96	/	/	486,724.06	486,724.06	/	/

Other notes:

None

32. Short-term loan**(1). Classification of short-term loans** Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Credit loans	46,106,867.32	23,866,103.44
Total	46,106,867.32	23,866,103.44

Note on classification of short-term borrowings:

As of December 31, 2025, the credit loans represent those obtained by Acter (Vietnam), a subsidiary of the Group, including a USD 3,000,000.00 loan from First Commercial Bank with a term from October 20, 2025 to October 15, 2026 at an interest rate of 4.90%, three loans from First Commercial Bank evidenced by three loan applications in the amounts of VND 7,098,134,760.00, VND 4,137,038,950.00 and VND 3,215,376,000.00 respectively with terms from December 10, 2025 to June 8, 2026, December 15, 2025 to June 13, 2026 and December 23, 2025 to June 21, 2026, respectively, as well as a USD 3,000,000.00 loan from Fubon Bank with a term from November 11, 2025 to November 6, 2026 at an interest rate of 4.58%.

(2). Overdue short-term loans Applicable N/A

Significant overdue short-term loans are summarized as follows:

 Applicable N/A

Other notes:

 Applicable N/A**33. Trading financial liabilities** Applicable N/A

Other notes:

 Applicable N/A**34. Derivative financial liabilities** Applicable N/A**35. Notes payable****(1). Presentation of notes payable** Applicable N/A**36. Accounts payable****(1). Presentation of accounts payable** Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Project payment	493,124,535.33	316,381,855.58
Retention money	354,953,823.47	282,406,337.48
Total	848,078,358.80	598,788,193.06

(2). Significant accounts payable aged over 1 year or overdue

Applicable N/A

Other notes:

Applicable N/A

37. Receipts in advance**(1). Presentation of accounts receivable in advance**

Applicable N/A

(2). Significant receipts in advance with an age of more than 1 year

Applicable N/A

(3). Amounts and reasons for significant changes in book value during the reporting period

Applicable N/A

Other notes:

Applicable N/A

38. Contract liabilities**(1). Contract liabilities**

Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Settled uncompleted works	123,075,413.44	88,601,839.41
Total	123,075,413.44	88,601,839.41

(2). Significant contract liabilities aged over 1 year

Applicable N/A

(3). Amounts and reasons for significant changes in book value during the reporting period

Applicable N/A

Other notes:

Applicable N/A

39. Payroll payable**(1). Presentation of remuneration payable to employees**

Applicable N/A

Item	In RMB Yuan				
	Opening Balance	Increase in the Period	Decrease in the Period	Exchange Rate Changes	Closing Balance
I. Short-term Remuneration	41,972,766.98	140,488,391.03	127,081,127.47	-112,018.27	55,268,012.27
II. Post-Employment Benefits – Defined Contribution Plan		10,350,101.87	10,350,101.87		

III. Severance Benefits					
IV. Other Benefits Due within One Year					
Total	41,972,766.9 8	150,838,492. 90	137,431,229. 34	-112,018.27	55,268,012.2 7

(2). Presentation of short-term remuneration
 Applicable N/A

In RMB Yuan

Item	Opening Balance	Increase in the Period	Decrease in the Period	Exchange Rate Changes	Closing Balance
I. Salaries, Bonuses, Allowances, and Subsidies	41,024,751.6 6	128,589,895. 22	115,182,631. 66	-112,018.27	54,319,996.9 5
II. Employee Benefit Expenses		1,506,283.64	1,506,283.64		
III. Social Insurance Premiums		4,299,294.80	4,299,294.80		
Including: medical insurance premiums		3,805,328.19	3,805,328.19		
Workers' remuneration insurance premiums		153,398.18	153,398.18		
Maternity insurance premiums		340,568.43	340,568.43		
IV. Housing Provident Fund		4,437,807.17	4,437,807.17		
V. Labor Union Funds and Employee Education Funds	948,015.32	1,655,110.20	1,655,110.20		948,015.32
VI. Short-term Compensated Absences					
VII. Short-term Profit-sharing Plan					
Total	41,972,766.9 8	140,488,391. 03	127,081,127. 47	-112,018.27	55,268,012.2 7

(3). Presentation of defined contribution plan
 Applicable N/A

In RMB Yuan

Item	Opening Balance	Increase in the Period	Decrease in the Period	Closing Balance
1. Basic pension insurance		9,937,807.96	9,937,807.96	
2. Unemployment insurance premiums		412,293.91	412,293.91	
3. Contributions to enterprise annuities				
Total		10,350,101.87	10,350,101.87	

Other notes:

 Applicable N/A
40. Tax payable
 Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Value-added tax (VAT)		33,245.94
Consumption tax		
Business tax		
Enterprise income tax	25,727,233.55	13,516,800.37
Individual income tax	974,204.25	600,405.45
Urban maintenance and construction tax		
Land use tax and property tax	270,583.85	280,643.36
Stamp duty	289,610.78	190,004.61
Others	86,290.68	753,155.76
Total	27,347,923.11	15,374,255.49

Other notes:

None

41. Other payables

(1). Item presentation

Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Interest payable		
Dividends payable		
Other payables	24,903,726.87	24,647,083.82
Total	24,903,726.87	24,647,083.82

Other notes:

Applicable N/A

(2). Interest payable

Presented by category

Applicable N/A

Significant overdue interest payable:

Applicable N/A

Other notes:

Applicable N/A

(3). Dividends payable

Presented by category

Applicable N/A

(4). Other payables

Other payables by nature

Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Current account	17,719,990.89	21,725,638.07
Intermediary service fee	2,251,132.66	2,083,852.39

Provisions and guarantee deposit	370,965.39	188,907.61
Others	4,561,637.93	648,685.75
Total	24,903,726.87	24,647,083.82

Significant other payables aged over 1 year or overdue

Applicable N/A

Other notes:

Applicable N/A

42. Liabilities held for sale

Applicable N/A

43. Non-current liabilities due within 1 year

Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Long-term loans due within 1 year		
Bonds payable due within 1 year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year	1,894,011.34	2,421,048.35
Total	1,894,011.34	2,421,048.35

Other notes:

None

44. Other current liabilities

Other current liabilities

Applicable N/A

Increase or decrease in short-term bonds payable:

Applicable N/A

Other notes:

Applicable N/A

45. Long-term borrowings

(1). Classification of long-term loans

Applicable N/A

Other notes:

Applicable N/A

46. Bonds payable

(1). Bonds payable

Applicable N/A

(2). Details of bonds payable: (excluding other financial instruments such as preferred stock and perpetual bonds classified as financial liabilities)

Applicable N/A

(3). Description of convertible corporate bonds

Applicable N/A

Accounting treatment and judgmental basis for conversion

Applicable N/A

(4). Description of other financial instruments classified as financial liabilities

Basic information on other financial instruments such as preferred stock and perpetual bonds issued at the end of the period

Applicable N/A

Statement of changes in preferred stock, perpetual bonds and other financial instruments issued and outstanding at the end of the period

Applicable N/A

Explanation for the basis for classifying other financial instruments as financial liabilities:

Applicable N/A

Other notes:

Applicable N/A

47. Lease liabilities Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
Lease liabilities	1,499,843.57	1,585,929.64
Total	1,499,843.57	1,585,929.64

Other notes:

None

48. Long-term accounts payable**Item presentation** Applicable N/A

Other notes:

 Applicable N/A**Long-term accounts payable****(1). Presentation of long-term payables by nature of payment** Applicable N/A**Specialized payables****(1). Specialized payables by nature of payment** Applicable N/A**49. Long-term payroll payable** Applicable N/A**(1). Table of long-term employee remuneration payable** Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
I. Post-employment Benefits - Net Liability for Defined Benefit Plans	84,420.86	65,569.85
II. Termination Benefits		
III. Other Long-term Benefits		
Total	84,420.86	65,569.85

(2). Changes in defined benefit plans

Present value of defined benefit plan obligations:

 Applicable N/A

In RMB Yuan

Item	Closing Balance	Opening Balance
I. Opening Balance	65,569.85	632,325.46
II. Defined Benefit Costs Recognized in Profit or Loss for the Period	14,514.25	162,295.88
1. Current service cost	14,514.25	162,295.88
2. Past service costs		

3. Settlement gain (loss expressed as "-")		
4. Net interest		
III. Defined Benefit Cost Charged to Other Comprehensive Income	-16,859.12	-716,561.36
1. Actuarial gain (loss expressed as "-")	-16,859.12	-716,561.36
IV. Other Changes	21,195.88	-12,490.13
1. Consideration paid upon settlement		
2. Benefits paid		
3. Translation differences on foreign currency statements	21,195.88	-12,490.13
V. Closing Balance	84,420.86	65,569.85

Plan assets:

Applicable N/A

Net liabilities (net assets) of defined benefit plans

Applicable N/A

Description of the content of the defined benefit plan and the risks associated with it, the impact on the company's future cash flows, timing, and uncertainty:

Applicable N/A

Description of significant actuarial assumptions and sensitivity analysis results for defined benefit plans

Applicable N/A

Other notes:

Applicable N/A

50. Estimated liabilities

Applicable N/A

Item	Closing Balance	Opening Balance	In RMB Yuan Reason
Guarantees provided to external parties			
Pending litigation			
Product quality guarantee	12,067,544.16	11,061,124.95	Note 1
Restructuring obligations			
Loss-making contracts pending execution	883,602.09	122,715.44	
Returns payable			
Others			
Total	12,951,146.25	11,183,840.39	/

Other notes, including notes on significant assumptions, estimates related to significant projected liabilities:

Note 1: The estimated liabilities related to quality assurance are mainly related to quality expenses accrued to deal with possible quality problems during the warranty period of the project.

51. Deferred income

Deferred income

 Applicable N/A

Other notes:

 Applicable N/A**52. Other non-current liabilities** Applicable N/A**53. Capital stock** Applicable N/A

In RMB Yuan

	Opening Balance	Increase/Decrease of the Current Change (+, -)					Closing Balance
		Issue of New Shares	Sent Shares	Accumulation fund Transfer Shares	Others	Subtotal	
Total number of shares	100,000,000.00						100,000,000.00

Other notes:

None

54. Other equity instruments**(1). Basic information on other financial instruments such as preferred stock and perpetual bonds issued at the end of the period** Applicable N/A**(2). Statement of changes in preferred stock, perpetual bonds, and other financial instruments issued and outstanding at the end of the period** Applicable N/A

Changes in other equity instruments in the period, explanation for the reasons for such changes, and the basis for related accounting treatment:

 Applicable N/A

Other notes:

 Applicable N/A**55. Capital reserves** Applicable N/A

In RMB Yuan

Item	Opening balance	Increase in the Period	Decrease in the Period	Closing Balance
------	-----------------	------------------------	------------------------	-----------------

Capital premium (equity premium)	530,250,969.12			530,250,969.12
Other capital surplus	32,381,806.33			32,381,806.33
Total	562,632,775.45			562,632,775.45

Other notes, including the increase or decrease of changes in the period and the reasons for the changes:
None

56. Treasury stock

Applicable N/A

57. Other comprehensive income

Applicable N/A

In RMB Yuan

Item	Beginning Balance	Amount in the Period					Closing Balance
		Amount Incurred before Income Tax in the Current Period	Less: Transfer to Profit or Loss for the Period from Prior Period to Other Comprehensive Income	Less: Amount Previously Recognized in Other Comprehensive Income and Reclassified to Retained Earnings in the Current Period	Less: Income Tax Expense	Attributable to Parent Company After Tax	
I. Other Comprehensive Income that Cannot Be Reclassified to Profit or Loss	- 2,215,572.82	3,794,881.18				3,794,881.18	1,579,308.36
Including: re-measurement of changes in defined benefit plans	- 163,499.92	167,345.86				167,345.86	3,845.94

investments								
Amounts reclassified from financial assets to other comprehensive income						-		
Provision for credit impairment of other debt investments						-		
Cash flow hedge reserve						-		
Difference in translation of foreign currency financial statements	287,318.85	9,860,141.44				9,860,141.44		10,147,460.29
Other comprehensive income	2,502,891.67	6,065,260.26				6,065,260.26		8,568,151.93

Other notes, including adjustments to the effective portion of cash flow hedge gains and losses transferred to the initial recognized amount of the hedged item:

None

58. Special reserves

Applicable N/A

In RMB Yuan

Item	Opening Balance	Increase in the Period	Decrease in the Period	Closing Balance
Safety production fee	44,175,259.38		464,273.75	43,710,985.63
Total	44,175,259.38		464,273.75	43,710,985.63

Other notes, including the increase or decrease of changes in the period and the reasons for the changes:

None

59. Earned surplus Applicable N/A

In RMB Yuan

Item	Opening Balance	Increase in the Period	Decrease in the Period	Closing Balance
Legal surplus reserves	45,818,775.40	7,244,947.66		53,063,723.06
Discretionary surplus reserves				
Reserve fund				
Enterprise development Fund				
Others				
Total	45,818,775.40	7,244,947.66		53,063,723.06

Explanation for surplus reserves, including the increase or decrease in the period and the reasons for the change:

None

60. Undistributed profits Applicable N/A

In RMB Yuan

Item	Current Period	Prior Period
Undistributed profit at the end of the prior period before adjustment	360,311,280.65	332,226,440.31
Total undistributed profits at the beginning of the period before adjustment (increase +, decrease -)		
Undistributed profit at the beginning of the period after adjustment	360,311,280.65	332,226,440.31
Add: net profit attributable to owners of the parent company for the period	154,546,143.11	114,402,314.36
Less: withdrawal of legal surplus reserves	7,244,947.66	6,317,474.02
Withdrawal of discretionary surplus reserves		
Provision for general risk		
Dividends payable on ordinary shares	90,000,000.00	80,000,000.00
Dividends on ordinary shares transferred to capital		
Undistributed profit at the end of the period	417,612,476.10	360,311,280.65

Adjustment of the breakdown of undistributed profit at the beginning of the period:

1. Due to the retrospective adjustment of the *Accounting Standards for Business Enterprises* and its related new regulations, the impact on the undistributed profit at the beginning of the period was RMB 0.
2. Due to the change of accounting policy, it affected the undistributed profit at the beginning of the period by RMB 0.
3. Due to the correction of significant accounting errors, the impact on the undistributed profit at the beginning of the period was RMB 0.
4. Due to the change of the scope of consolidation caused by the same control, the impact on the undistributed profit at the beginning of the period is RMB 0.
5. Other adjustments affecting the undistributed profit at the beginning of the period by RMB 0.

61. Operating revenues and operating costs**(1). Operating revenue and operating costs**

☑ Applicable ☐ N/A

In RMB Yuan

Item	Amount in the Current Period		Amount in the Prior Period	
	Revenue	Cost	Revenue	Cost
Main business	2,985,650,906.47	2,680,742,777.42	2,004,929,936.09	1,754,142,863.89
Other businesses	2,853,826.74	1,300,076.12	2,767,381.89	864,560.33
Total	2,988,504,733.21	2,682,042,853.54	2,007,697,317.98	1,755,007,424.22

(2). Breakdown information of operating revenues and operating costs

☑ Applicable ☐ N/A

In RMB Yuan

Contract Classification	Amount in the Current Year		Total	
	Operating Revenue	Operating Cost	Operating Revenue	Operating Cost
Commodity type				
Including: clean room engineering	1,954,262,651.25	1,774,666,731.19	1,954,262,651.25	1,774,666,731.19
Other electromechanical installation works	967,338,675.54	854,431,027.90	967,338,675.54	854,431,027.90
Equipment sales	64,049,579.68	51,645,018.33	64,049,579.68	51,645,018.33
Other businesses	2,853,826.74	1,300,076.12	2,853,826.74	1,300,076.12
By region of operation				
Including: domestic	1,734,855,721.25	1,566,504,605.43	1,734,855,721.25	1,566,504,605.43
Overseas	1,253,649,011.96	1,115,538,248.11	1,253,649,011.96	1,115,538,248.11
Type of market or client				
Including: IC semiconductor industry	1,783,657,496.72	1,614,991,631.94	1,783,657,496.72	1,614,991,631.94
Precision manufacturing industry	1,013,374,881.06	902,860,146.30	1,013,374,881.06	902,860,146.30
Photoelectricity industry	45,395,441.11	45,385,724.01	45,395,441.11	45,385,724.01
Other industries	143,223,087.58	117,505,275.17	143,223,087.58	117,505,275.17
Other businesses	2,853,826.74	1,300,076.12	2,853,826.74	1,300,076.12
Contract type				
Including: sale of goods	64,049,579.68	51,645,018.33	64,049,579.68	51,645,018.33
Construction contracts	2,921,601,326.79	2,629,097,759.09	2,921,601,326.79	2,629,097,759.09
Other businesses	2,853,826.74	1,300,076.12	2,853,826.74	1,300,076.12
Classification by timing of merchandise transfers				

Including: revenue recognized at a certain point in time	66,903,406.42	52,945,094.45	66,903,406.42	52,945,094.45
Revenue recognized at a certain point in time	2,921,601,326.79	2,629,097,759.09	2,921,601,326.79	2,629,097,759.09
By contract term				
By sales channel				
Total	2,988,504,733.21	2,682,042,853.54	2,988,504,733.21	2,682,042,853.54

Other notes:

Applicable N/A

(3). Explanation for performance obligations

Applicable N/A

(4). Description of apportionment to remaining performance obligations

Applicable N/A

(5). Significant contract changes or significant transaction price adjustments

Applicable N/A

Other notes:

None

62. Taxes and surcharges

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Consumption tax		
Business tax		
Urban maintenance and construction tax	1,674,093.24	1,078,030.43
Education surcharge	1,212,989.66	805,328.95
Resource tax		
Property tax	781,025.14	785,910.01
Land use tax	26,772.84	26,888.68
Vehicle and vessel use tax		
Stamp duty	1,064,761.86	709,504.34
Others	101,549.33	49,487.84
Total		
Consumption tax	4,861,192.07	3,455,150.25

Other notes:

None

63. Sales expenses

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Employee remuneration	3,511,950.19	4,838,798.97
Business entertainment expenses	734,052.09	902,957.22

Depreciation and amortization	243,056.96	109,499.95
Others	812,611.43	930,513.92
Total	5,301,670.67	6,781,770.06

Other notes:

None

64. Administrative expenses

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Labor cost	41,403,687.56	36,100,990.73
Depreciation and amortization	6,769,758.78	6,388,764.67
Professional service fees	5,606,801.33	5,323,269.09
Travel expenses	2,630,161.39	3,206,253.54
Socialization expenses	1,038,759.42	1,753,533.95
Rental expenses	475,004.97	672,628.87
Office expenses	762,262.82	597,023.50
Others	7,456,177.72	8,476,548.50
Total	66,142,614.00	62,519,012.85

Other notes:

None

65. R&D expenses

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Labor cost	14,951,240.32	13,547,429.17
Material costs	14,593,832.64	16,349,300.82
Rental expenses	314,526.92	338,071.77
Depreciation and amortization	116,800.19	133,765.21
Others	1,274,054.66	3,161,138.99
Total	31,250,454.73	33,529,705.96

Other notes:

None

66. Financial costs

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Interest expenses	3,122,081.18	1,724,156.19
Interest expense on lease liabilities	186,762.47	177,890.50
Less: Interest income	9,815,274.04	9,191,452.30
Add: Exchange loss (Less: gain)	-9,887,347.46	-4,997,814.43
Handling fee	800,396.01	1,369,836.74
Total	-15,593,381.84	-10,917,383.30

Other notes:

None

67. Other gains Applicable N/A

In RMB Yuan

Classification by Nature	Amount in the Current Period	Amount in the Prior Period
Government grants related to income	227,523.20	433,289.18
Total	227,523.20	433,289.18

Other notes:

None

68. Investment income Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Income from long-term equity investments accounted for by the equity method	-55,006.74	-59,463.32
Investment income from disposal of long-term equity investments		
Investment income during the holding period of financial assets for trading		
Dividend income from other equity instruments during the holding period	132,391.80	197,574.90
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of trading financial assets	881,433.21	675,894.07
Investment income from disposal of other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		
Total	958,818.27	814,005.65

Other notes:

None

69. Net open hedge gains Applicable N/A**70. Gains from changes in fair value** Applicable N/A

In RMB Yuan

Sources of Gains from Changes in Fair Value	Amount in the Current Period	Amount in the Prior Period
Trading financial assets		
Including: Gains from changes in fair value of derivative financial instruments		

Trading financial liabilities		
Investment properties at fair value		
Financial assets at fair value through profit or loss (FVTPL)	-25,000.00	25,000.00
Total	-25,000.00	25,000.00

Other notes:

None

71. Credit impairment losses

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Bad debt losses on bills receivable	6,013,823.13	1,281,044.46
Bad debt loss on accounts receivable	5,793,933.70	-3,276,789.11
Bad debt loss on other receivables	5,696.36	-212,011.26
Impairment loss on debt investments		
Impairment loss on other debt investments		
Bad debt loss on long-term receivables		
Impairment losses related to financial guarantees		
Total	11,813,453.19	-2,207,755.91

Other notes:

None

72. Impairment loss on assets

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
I. Impairment Loss on Contract Assets	-5,542,555.36	7,174,598.08
II. Impairment Loss on Inventory and Contract Fulfillment Costs	106,441.21	
III. Impairment Loss on Long-term Equity Investments		
IV. Impairment Loss on Investment Properties		
V. Impairment Loss on Fixed Assets		
VI. Impairment Loss on Construction Materials		
VII. Impairment Loss on Construction in Progress		
VIII. Impairment Loss on Productive Biological Assets		
IX. Impairment Loss on Oil and Gas Assets		
X. Impairment Loss on Intangible Assets		
XI. Impairment Loss on Goodwill		
XII. Impairment Loss on Other Non-current Assets	- 72,255.25	-362,009.99
Total	-5,508,369.40	6,812,588.09

Other notes:
None

73. Gains on disposal of assets

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Gains on disposal of assets	449,638.47	98,152.04
Total	449,638.47	98,152.04

Other notes:
None

74. Non-operating revenue

Non-operating revenue

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period	Amounts included in Non-recurring Gains and Losses for the Period
Total gain on disposal of non-current assets	2,466.67	29,786.66	2,466.67
Including: Gain on disposal of fixed assets	2,466.67	29,786.66	2,466.67
Gains on disposal of intangible assets			
Gain on non-monetary asset exchange			
Insurance claim proceeds	459,622.64		459,622.64
Other	140,290.43	8,156.58	140,290.43
Total	602,379.74	37,943.24	602,379.74

Other notes:

Applicable N/A

75. Non-operating expenses

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period	Amounts Included in Non-recurring Gains and Losses for the Period
Total losses on disposal of non-current assets	7,378.67	9,075.13	7,378.67
Including: losses on disposal of fixed assets	7,378.67	9,075.13	7,378.67
Losses on disposal of intangible assets			

Losses on exchange of non-monetary assets			
Donations	217,000.00	259,000.00	217,000.00
Compensation	203,700.00		203,700.00
Fines	174,631.68	29,000.00	149,240.84
Uncollectible amounts	82,599.13		82,599.13
Uncollectible deposits	20,808.33		20,808.33
Overdue fines	20,840.66	18,211.87	46,231.51
Others	388,144.92	49,720.19	388,144.91
Total	1,115,103.39	365,007.19	1,115,103.39

Other notes:

None

76. Income tax expense

(1). Schedule of income tax expense

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Current income tax expense	43,921,336.55	33,778,120.07
Deferred tax expense	5,360,414.79	2,872,289.70
Total	49,281,751.34	36,650,409.77

(2). Process of adjusting accounting profit and income tax expense

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period
Total profit	209,292,502.54
Income tax expense at statutory/applicable rates	31,393,875.38
Effect of different tax rates applied by subsidiaries	8,240,230.27
Effect of adjustments to prior periods' income tax	
Effect of non-taxable income	
Effect of non-deductible costs, expenses and losses	13,748,351.02
Effect of deductible losses on utilization of unrecognized deferred tax assets in prior period	
Effect of deductible temporary differences or deductible losses for which deferred tax assets have not been recognized in the current period	
Effect of additional deduction for R&D expenses	-4,100,705.33
Income tax expense	49,281,751.34

Other notes:

Applicable N/A

None

77. Other comprehensive income

Applicable N/A
See the notes for details

78. Cash flow statement items**(1). Cash related to operating activities**

Other cash received relating to operating activities

Applicable N/A

Item	In RMB Yuan	
	Amount in the Current Period	Amount in the Prior Period
Interest income on deposits	9,815,240.09	9,191,452.30
Recovery of monetary funds with restricted use	48,544.06	12,012,883.29
Government subsidies	227,523.20	433,289.18
Rental income	2,853,826.74	2,767,381.89
Margin and deposit	966,464.24	2,267,764.63
Others	3,271,644.82	2,004,378.80
Total	17,183,243.15	28,677,150.09

Description of other cash received related to operating activities:

None

Other cash paid relating to operating activities

Applicable N/A

Item	In RMB Yuan	
	Amount in the Current Period	Amount in the Prior Period
Transportation expenses, travel expenses, rental expenses, utilities, labor expenses, etc. paid	14,239,464.04	17,316,854.10
Transfers to monetary funds with restricted use		
Material consumption	14,593,832.64	16,349,300.82
Intermediary expenses	5,606,801.33	5,323,269.09
Overdue fine, fine, remuneration	366,278.94	47,211.87
Others	4,395,209.65	2,825,705.52
Total	39,201,586.60	41,862,341.40

Description of other cash paid related to operating activities:

None

(2). Cash related to investing activities

Significant cash received related to investing activities

Applicable N/A

Significant cash paid in connection with investing activities

Applicable N/A

Other cash received related to investing activities

Applicable N/A

Other cash paid in relation to investment activities

Applicable N/A

(3). Cash related to financing activities

Other cash received relating to financing activities

 Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Loan from Sheng Huei International	49,923,087.26	53,586,215.59
Total	49,923,087.26	53,586,215.59

Description of other cash received related to financing activities:

None

Other cash paid relating to financing activities

 Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Payment of lease rent for right-of-use assets	3,873,642.12	2,594,805.13
Loan from Sheng Huei International	55,183,341.04	56,447,907.03
Total	59,056,983.16	59,042,712.16

Description of other cash paid related to financing activities:

None

Changes in liabilities arising from financing activities

 Applicable N/A**(4). Notes to the presentation of cash flows on a net basis** Applicable N/A**(5). Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the enterprise's financial position or may affect the enterprise's cash flows in the future** Applicable N/A**79. Supplementary information on cash flow statement****(1). Supplementary information on cash flow statement** Applicable N/A

In RMB Yuan

Supplementary Information	Amount in the Current Period	Amount in the Prior Period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	160,010,751.20	117,109,778.91
Add: provision for impairment of assets	-5,508,369.40	6,812,588.09
Credit impairment loss	11,813,453.19	-2,207,755.91
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of biological assets	5,750,813.84	4,989,601.84
Accumulated depreciation of investment properties	142,485.07	67,051.32
Amortization of right-of-use assets	3,064,763.93	2,430,153.33

Amortization of intangible assets	411,503.96	370,750.07
Amortization of long-term amortized expenses		
Loss on disposal of property, plant and equipment, intangible assets, and other long-lived assets (Gain denoted by "-")	-449,638.47	-98,152.04
Loss on retirement of fixed assets (Gain denoted by "-")	4,912.00	
Loss on change in fair value (Gain denoted by "-")	25,000.00	-25,000.00
Finance costs (Gain denoted by "-")	-6,641,999.29	-2,917,877.25
Loss on investment (Gain denoted by "-")	-958,818.27	-814,005.65
Decrease in deferred tax assets (Increase is recognized by "-" sign)	-6,232,044.51	-272,898.33
Increase in deferred tax liabilities (Decrease is recognized by "-" sign)	11,575,547.71	3,215,000.15
Decrease in inventories (Increase is recognized by "-" sign)	-3,524,728.12	-3,585,610.06
Decrease in operating receivables (Increase is recognized by "-" sign)	-339,295,439.60	-118,492,078.51
Increase in operating payables (Decrease is recognized by "-" sign)	314,441,241.04	-9,886,105.62
Increase in production safety expenses	-464,273.75	-403,590.14
Net cash flows from operating activities	144,165,160.53	-3,708,149.80
2. Significant investing and financing activities not involving cash receipts and payments:		
Conversion of debt to capital		
Convertible corporate bonds due within one year		
Finance lease to fixed assets		
3. Net change in cash and cash equivalents:		
Closing balance of cash	687,124,972.07	574,895,982.11
Less: Opening balance of cash	574,895,982.11	709,996,723.03
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	112,228,989.96	-135,100,740.92

(2). Net cash paid for acquisition of subsidiaries in the period

Applicable N/A

(3). Net cash received from disposal of subsidiaries in the period

Applicable N/A

(4). Composition of cash and cash equivalents

Applicable N/A

In RMB Yuan		
Item	Closing Balance	Opening Balance
I. Cash	687,124,972.07	574,895,982.11

Including: cash on hand	12,187.35	12,187.35
Bank deposits readily available for payment	687,112,784.72	574,883,794.76
Other monetary funds available for payment		
Amounts on deposit with central banks available for payment		
Due from banks		
Call loan to banks		
II. Cash Equivalents		
Including: Investments in bonds due within three months		
III. Cash and Cash Equivalents at the End of the Period	687,124,972.07	574,895,982.11
Including: Restricted cash and cash equivalents used by the parent company or subsidiaries within the group	89,337,129.96	486,724.06

(5). Cash and cash equivalents with restricted scope of use but still presented as cash and cash equivalents

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Reason
Monetary fund	89,337,129.96	Deposit restriction, special purpose funds
Total	89,337,129.96	/

The Group's other monetary funds mainly consist of deposits and special project funds, specifically including deposits placed with banks for the application of guarantee letters and project funds that are earmarked for specified purposes in accordance with relevant regulations.

(6). Monetary funds not classified as cash and cash equivalents

Applicable N/A

Other notes:

Applicable N/A

80. Notes to the Statement of Changes in Owners' Equity

Items such as the name of the "Other" item and the amount of adjustments made to the closing balance of the prior year are explained:

Applicable N/A

81. Monetary items in foreign currency

(1). Monetary items in foreign currency

Applicable N/A

In RMB Yuan

Item	Closing Balance in Foreign Currency	Translation Rate	RMB Balance Translated at End of the Period
Monetary fund	-	-	

Including: VND	292,663,561,616.00	0.000268	78,433,834.51
USD	9,014,531.70	7.0288	63,361,340.42
IDR	97,394,948,701.16	0.000417	40,613,693.61
THB	362,723,279.82	0.222519	80,712,821.50
SGD	140,061.71	5.4586	764,540.85
MYR	7,395,373.42	1.731932	12,808,283.88
Accounts receivable	-	-	-
Including: VND	586,770,310,510.283	0.000268	157,254,443.22
THB	13,890,876.26	0.222519	3,090,983.89
IDR	13,380,824,986.00	0.000417	5,579,804.02
USD	700,000.00	7.0288	4,920,160.00
MYR	512,161.25	1.731932	887,028.46
Other receivables			
Including: VND	3,470,027,611.94	0.000268	929,967.40
THB	2,004,662.37	0.222519	446,075.47
IDR	1,460,730,994.00	0.000417	609,124.82
MYR	90,867.84	1.731932	157,376.92
Accounts payable			
Including: USD	13,939,074.75	7.0288	97,974,968.59
VND	155,645,455,086.00	0.000268	41,712,981.96
THB	100,445,692.05	0.222519	22,351,074.95
IDR	13,285,443,831.00	0.000417	5,540,030.08
MYR	4,585,597.02	1.731932	7,941,942.22
Other payables			
Including: VND	16,179,521,050.00	0.000268	4,336,111.64
USD	2,531,059.59	7.0288	17,790,311.65
SGD	7,945.50	5.4586	43,371.31
MYR	65,956.50	1.731932	114,232.17
THB	1,744,115.63	0.222519	388,098.87
IDR	359,288,927.00	0.000417	149,823.48
Short-term borrowings			
Including: USD	6,012,613.25	7.0288	42,261,456.00
VND	14,450,549,710.00	0.000268	3,872,747.32
Long-term borrowings	-	-	-
Including: USD			
EUR			
HKD			

Other notes:

None

(2). Description of overseas operating entities, including, for significant overseas operating entities, disclosure of the principal place of business outside the country, the local recording currency and the basis of selection, and disclosure of the reasons for changes in the local recording currency

Applicable N/A

The Group and its domestic subsidiaries maintain their accounts in Chinese Yuan (RMB); Acter International Limited is accounted for in United States dollars; Acter Technology Singapore Pte., Ltd is denominated in Singapore dollars; PT. Acter Technology Indonesia and PT Acter Integration Technology Indonesia (the "Indonesian Joint Venture") are denominated in Indonesian Rupiah; Acter Technology Malaysia Sdn. Bhd is denominated in MYR; Sheng Huei Engineering Technology Company Limited is denominated in VND; and Acter Technology Co., Ltd. maintains its accounts in

THB. The Group and its subsidiaries have selected the local recording currencies based on the currency of valuation and settlement of major business receipts and expenditures. Some subsidiaries of the Group have adopted currencies other than the Company's local currency as the local currency, and the foreign currency financial statements of these subsidiaries have been translated in accordance with "Section V. 9. Translation of Foreign Currency Operations and Foreign Currency Statements" of this section in the preparation of these financial statements.

Name of Overseas Operating Entities	Principal Place of Business	Recording Currency	Basis of Selection of Local Currency
PT. Acter Technology Indonesia	Indonesia	Indonesian Rupiah	Businesses are mainly denominated and settled in this currency.
PT Acter Integration Technology Indonesia	Indonesia	Indonesian Rupiah	Businesses are mainly denominated and settled in this currency.
Sheng Huei Engineering Technology Company Limited	Vietnam	VND	Businesses are mainly denominated and settled in this currency.
Acter Technology Co., Ltd	Thailand	THB	Businesses are mainly denominated and settled in this currency.
Acter International Limited	Hong Kong	USD	Businesses are mainly denominated and settled in this currency.
Acter Technology Malaysia Sdn. Bhd.	Malaysia	MYR	Businesses are mainly denominated and settled in this currency.

82. Leases

(1) As lessee

Applicable N/A

Variable lease payments not included in the measurement of lease liabilities

Applicable N/A

None

Lease expenses for short-term leases or low-value assets with simplified treatment

Applicable N/A

7,905,845.97 (in RMB Yuan)

Sale and leaseback transactions and basis of judgment

Applicable N/A

None

Total cash outflows related to leasing 12,027,021.42 (in RMB Yuan)

(2) As lessor

Operating leases as lessor

Applicable N/A

In RMB Yuan

Item	Lease Income	Of which: Income Related to Variable Lease Payments Not Included in Lease Receipts
Lease of buildings	2,972,182.60	
Total	2,972,182.60	

Finance lease as lessor

Applicable N/A

Reconciliation of undiscounted lease receipts to net investment in leases

Applicable N/A

Undiscounted lease receipts for the next five years

Applicable N/A

(3) Recognition of gain or loss on sales under finance leases as a manufacturer or distributor

Applicable N/A

Other notes:

None

83. Data resource

Applicable N/A

84. Others

Applicable N/A

VIII. R&D Expenditures

1. Presentation by nature of expenses

Applicable N/A

Item	In RMB Yuan	
	Amount in the Current Period	Amount in the Prior Period
Labor cost	14,951,240.32	13,547,429.17
Material costs	14,593,832.64	16,349,300.82
Rental expenses	314,526.92	338,071.77
Depreciation and amortization	116,800.19	133,765.21
Others	1,274,054.66	3,161,138.99
Total	31,250,454.73	33,529,705.96
Including: expensed R&D expenditures	31,250,454.73	33,529,705.96
Capitalized R&D expenditures		

Other notes:

None

2. Development expenditures on R&D projects eligible for capitalization

Applicable N/A

Significant capitalized R&D projects

Applicable N/A

Provision for impairment of development expenditure

Applicable N/A

Other notes:

None

3. Significant outsourced R&D projects

Applicable N/A

IX. Changes in the scope of consolidation

1. Business combination not under the same control

Applicable N/A

(1). Business combination transactions under the same control incurred in the period

Applicable N/A

(2). Combination cost and goodwill

Applicable N/A

(3). Identifiable assets and liabilities of the acquiree as at the acquisition date

Applicable N/A

(4) Gains or losses arising from the re-measurement of previously held equity interests at fair value as at the acquisition date

Whether there are transactions in which the control is obtained in the reporting period through business combinations achieved in multiple steps

Applicable N/A

(5) Explanation where the fair value of the combination consideration or the identifiable assets and liabilities of the acquiree cannot be reasonably determined as at the acquisition date or at the end of the combination period

Applicable N/A

Other notes:

Applicable N/A

2. Business combination under the same control

Applicable N/A

3. Reverse buyback

Applicable N/A

4. Disposal of subsidiaries

Whether there is any transaction or matter of losing control of subsidiaries in the period

Applicable N/A

Other notes:

Applicable N/A

Disposal of investments in subsidiaries through multiple transactions and loss of control in the period?

Applicable N/A

Other notes:

Applicable N/A

5. Changes in the scope of consolidation due to other reasons

Description of changes in the scope of consolidation due to other reasons (e.g. establishment of new subsidiaries, liquidation of subsidiaries, etc.) and the related circumstances:

Applicable N/A

6. Others

Applicable N/A

X. Interests in Other Entities**1. Interests in subsidiaries****(1). Composition of the enterprise group**

☑ Applicable ☐ N/A

In RMB 10,000

Subsidiary Name	Principal Place of Business	Registered Capital	Place of Registration	Nature of Business	Shareholding Ratio (%)		Acquisition Method
					Direct	Indirect	
Shenghueti Engineering Technology (Shenzhen) Co., Ltd. (“Acter (Shenzhen)”)	Shenzhen	3,529.67	Shenzhen	Electromechanical engineering	100.00		Business combination under the same control
Shenzhen Dingmao Trading Co., Ltd. (“Shenzhen Dingmao”)	Shenzhen	500	Shenzhen	Trade	100.00		Establishment
Acter International Limited (“Acter (Hong Kong)”)	Hong Kong, China	2,260.03	Hong Kong, China	Investment	100.00		Business combination under the same control
Acter Technology Singapore Pte., Ltd. (“Acter (Singapore)”)	Singapore	1,726.31	Singapore	Investment	100.00		Business combination under the same control
PT. Acter Technology Indonesia (“Acter (Indonesia)”)	Indonesia	527.73	Indonesia	Electromechanical engineering		100.00	Business combination under the same control
Acter Technology	Malaysia	1,902.84	Malaysia	Electromechanical		100.00	Business combination under the

Malaysia Sdn. Bhd. (“Acter (Malaysia)”)				engineering			same control
Sheng Huei Engineering Technology Company Limited (“Acter (Vietnam)”)	Vietnam	3,827.37	Vietnam	Electromechanical engineering		100.00	Business combination under the same control
Acter Technology Co., Ltd. (“Acter (Thailand)”)	Thailand	651.90	Thailand	Electromechanical engineering		88.38	Business combination not under the same control
PT Acter Integration Technology Indonesia (“Indonesia Joint Venture”)	Indonesia	2,306.90	Indonesia	Electromechanical engineering	67.00		Establishment

A statement that the percentage of shareholding in a subsidiary is different from the percentage of voting rights:

None

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

None

For significant structured subjects included in the scope of consolidation, the basis of control:

None

Basis for determining whether the company is an agent or principal:

None

Other notes:

None

(2). Significant non-wholly owned subsidiaries

Applicable N/A

(3). Key financial information of significant non-wholly owned subsidiaries

Applicable N/A

(4). Significant restrictions on the use of enterprise group assets and settlement of enterprise group liabilities

Applicable N/A

(5). Financial or other support provided to structured subjects included in the scope of the consolidated financial statements

Applicable N/A

Other notes:

Applicable N/A

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

Applicable N/A

3. Interests in joint ventures or associates

Applicable N/A

4. Significant joint operations

Applicable N/A

5. Interests in structured entities not included in the scope of the consolidated financial statements

Description of structured entities not included in the scope of the consolidated financial statements:

Applicable N/A

6. Others

Applicable N/A

XI. Government subsidies**1. Government grants recognized at the end of the reporting period based on receivable amounts**

Applicable N/A

Reasons for not receiving the estimated amount of government grants at the expected point in time

Applicable N/A

2. Liability items related to government grants

Applicable N/A

3. Government grants recognized as current profit or loss

Applicable N/A

In RMB Yuan

Type	Amount in the Current Period	Amount in the Prior Period
Revenue-related	227,523.20	433,289.18

Total	227,523.20	433,289.18
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Other notes:

Type	Amount in the Current Year	Presentation Item	In RMB Yuan	
			Amount Recognized in Profit or Loss	Revenue-related/Asset-related
Refund of withholding tax/personal tax refund	89,037.06	Other gains	89,037.06	Revenue-related
Subsidies for stabilizing jobs	45,986.14	Other gains	45,986.14	Revenue-related
Special fund subsidy	92,500.00	Other gains	92,500.00	Revenue-related
Total	227,523.20		227,523.20	

XII. Risks Related to Financial Instruments

1. Risks of financial instruments

Applicable N/A

The Group's major financial instruments include bills receivable, short-term loans, receivables and payables, etc. For details of each financial instrument, please refer to the relevant item in Note 7. The risks associated with these financial instruments and the risk management policies adopted by the Group to minimize these risks are described below. The Group's management manages and monitors these exposures to ensure that the above risks are controlled within limits.

A. Risk management objectives and policies

The Group engages in risk management with the objective of striking an appropriate balance between risk and return, minimizing the negative impact of risks on the Group's operating results and maximizing the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyze the various risks faced by the Group, to establish an appropriate risk tolerance threshold and to manage the risks, and to monitor the various risks in a timely and reliable manner in order to control the risks within a limited scope.

(1) Market risk

1) Exchange rate risk

The Group's exposure to exchange rate risk is mainly related to U.S. Dollars, VND, THB, and Indonesian Rupiah. Except for several subsidiaries of the Group that make purchases and sales in U.S. Dollars, the Group's other major business activities are denominated in RMB. As of December 31, 2025, the Group's assets and liabilities were denominated in RMB, except for the U.S. dollars, Vietnamese dong, THB, and Indonesian Rupiah in respect of the assets and liabilities described in the table below. The exchange rate risk arising from these assets and liabilities in U.S. Dollars, Vietnamese dong, THB, and Indonesian Rupiah balances may have an impact on the Group's results of operations.

Item	Closing Balance
Currency Funds - USD	9,014,531.70
Currency Funds - IDR	97,394,948,701.16

Item	Closing Balance
Currency Funds - THB	362,723,279.82
Currency Funds - SGD	140,061.71
Accounts Receivable - VND	292,663,561,616.00
Currency Funds - MYR	7,395,373.42
Accounts Receivable - VND	586,770,310,510.283
Accounts Receivable - THB	13,890,876.26
Accounts Receivable - IDR	13,380,824,986.00
Accounts Receivable - USD	700,000.00
Accounts Receivable - MYR	512,161.25
Other Payables - VND	16,179,521,050.00
Other Payables - USD	2,531,059.59
Other Payables - SGD	7,945.50
Other Payables - MYR	65,956.50
Other Payables - THB	1,744,115.63
Other Payables - IDR	359,288,927.00
Accounts Payable - USD	13,939,074.75
Accounts Payable - VND	155,645,455,086.00
Accounts Payable - THB	100,445,692.05
Accounts Payable - IDR	13,285,443,831.00
Accounts Payable - MYR	4,585,597.02
Other Receivables - VND	3,470,027,611.94
Other Receivables - THB	2,004,662.37
Other Receivables - IDR	1,460,730,994.00
Other Receivables - MYR	90,867.84
Short-term loan - USD	6,012,613.25
Short-term loan - VND	14,450,549,710.00

2) Interest rate risk

The Group's interest rate risk arises from interest-bearing debts such as bank borrowings and bonds payable. Financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportion of fixed interest rates based on the prevailing market conditions. The Group's risk of changes in fair value of financial instruments due to changes in interest rates is mainly related to fixed-rate bank borrowings. For fixed rate borrowings, the Group's objective is to maintain its floating interest rate. The Group is not highly sensitive to interest rate fluctuations and has no significant interest rate risk.

(2) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill its obligations, resulting in a financial loss to the other party. The Group's credit risk mainly arises from monetary funds, receivables, and contract assets. The management continuously monitors these credit risk

exposures.

The Group's monetary funds other than cash are mainly deposited with creditworthy financial institutions, which management believes do not have significant credit risk and are not expected to incur losses to the Group as a result of default by the counterparties.

The Group's maximum exposure to credit risk is the book value of each financial asset in the balance sheet. The Group has not provided any other guarantees that may expose the Group to credit risk.

The Group's credit risk from accounts receivable and contract assets is primarily driven by the characteristics of each individual client, rather than the industry or country or region in which the client is located. Consequently, significant concentrations of credit risk arise mainly from the existence of significant accounts receivable and contract assets of the Group in respect of individual clients. As of December 31, 2025, the accounts receivable and contract assets of the Group's top five clients accounted for 40.69% (2024: 38.33%) of the Group's total accounts receivable and contract assets.

In respect of accounts receivable, the Group has formulated a credit policy based on the actual situation and conducts credit assessment on clients to determine the credit amount and credit period. The credit assessment is mainly based on the client's financial position, external ratings, and bank credit history (where possible). The receivables are generally due within 30 to 120 days from the date of billing. Under normal circumstances, the Group does not require clients to provide collateral.

(3) Liquidity risk

Liquidity risk is the risk of shortage of funds when the Group fulfills its obligations to settle by delivery of cash or other financial assets. The Company and its subsidiaries are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to meet anticipated cash requirements (subject to the approval of the Group's Board of Directors if borrowings are in excess of certain pre-determined authorization limits). It is the Group's policy to regularly monitor short-term and long-term liquidity requirements and compliance with borrowing agreements to ensure that adequate cash reserves are maintained and that commitments are obtained from major financial institutions to provide sufficient standby funds to meet short-term and longer-term liquidity requirements.

In order to control this risk, the Group regularly monitors the short-term and long-term liquidity requirements and compliance with the provisions of the borrowing agreements to ensure that sufficient cash reserves are maintained, and has obtained commitments from major financial institutions to provide sufficient standby funds to meet short-term and longer-term liquidity requirements.

As of December 31, 2025, the remaining contractual maturity of the Group's financial liabilities as of the balance sheet date based on the undiscounted contractual cash flows, including interest at contractual interest rates (or at the prevailing interest rate as of the reporting date in the case of floating interest rates), and the earliest date on which payments will be required are as follows:

Item	Within 1 Year	1-3 Years	Over 3 Years or No Fixed Period	Total
Accounts payable	632,689,246.10	157,947,837.77	57,441,274.94	848,078,358.81
Other payables	24,876,106.81		27,620.06	24,903,726.87
Non-current liabilities due within one year	1,894,011.34			1,894,011.34
Lease liabilities		1,499,843.57		1,499,843.57
Total	659,459,364.25	159,447,681.34	57,468,895.00	876,375,940.59

2. Sensitivity analysis

The Group employs sensitivity analysis techniques to analyze the impact that reasonable and probable changes in risk variables may have on current profit or loss or shareholders' equity. Since changes in any of the risk variables rarely occur in isolation, and the correlation that exists between the variables will play a significant role in the amount of the eventual impact of a change in one of the risk variables, the following has been performed assuming that the changes in each of the variables are independent. The impact on total profit and shareholders' equity of the appreciation/depreciation of RMB as a result of the changes in RMB against the US Dollar, the Vietnamese dong, Indonesian Rupiah, and Thailand Baht as of December 31, 2025 is presented in RMB at the spot exchange rate at the balance sheet date. Since the impact on total profit and shareholders' equity of financial instruments in other currencies in the event of exchange rate changes is not material, the related sensitivity analysis is omitted here. The Company believes that its exposure to exchange rate risk is generally manageable.

Item	Exchange Rate Changes	2025	
		Impact on Net Profit	Impact on Shareholders' Equity
Depreciation of RMB against USD	Appreciation of 5% against RMB	-2,374,188.99	-2,374,188.99
Appreciation of RMB against USD	Depreciation of 5% against RMB	2,374,188.99	2,374,188.99
Depreciation of RMB against VND	Appreciation of 5% against RMB	-9,528,457.58	-9,528,457.58

Item	Exchange Rate Changes	2025	
		Impact on Net Profit	Impact on Shareholders' Equity
Appreciation of RMB against VND	Depreciation of 5% against RMB	9,528,457.58	9,528,457.58
Depreciation of RMB against Indonesian Rupiah	Appreciation of 5% against RMB	-2,055,638.44	-2,055,638.44
Appreciation of RMB against Indonesian Rupiah	Depreciation of 5% against RMB	2,055,638.44	2,055,638.44
Depreciation of RMB against Thailand Baht	Appreciation of 5% against RMB	-3,075,535.35	-3,075,535.35
Appreciation of RMB against Thailand Baht	Depreciation of 5% against RMB	3,075,535.35	3,075,535.35

The above sensitivity analysis is based on the re-measurement of financial instruments held by the Group that are exposed to exchange rate risk at the balance sheet date, assuming that the exchange rate at the balance sheet date has changed during the reporting period, using the changed exchange rate.

3. Capital management

The main objectives of the Group's capital management are to ensure the Group's ability to continue as a going concern and to maintain healthy capital ratios to support business development and maximize shareholder value.

The Group manages its capital structure and adjusts it in accordance with changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust profit distribution to shareholders, return capital to shareholders, or issue new shares. The Group is not subject to external mandatory capital requirements. For the period January-December 2025, there have been no changes in capital management objectives, policies or procedures.

The Group monitors its capital through the asset-liability ratio, which is calculated as total liabilities divided by total assets. The asset-liability ratios at December 31, 2025 were as follows:

Item	Ending Balance	Beginning Balance
Total liabilities	1,170,497,053.84	826,218,412.73
Total assets	2,359,951,318.22	1,952,510,883.69
Asset-liability ratio	49.60%	42.32%

2. Hedging**(1). Hedging business for risk management**

Applicable N/A

Other notes:

Applicable N/A

(2). The Company conducts eligible hedging operations and applies hedge accounting

Applicable N/A

Other notes:

Applicable N/A

(3). The Company conducts hedge operations for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting.

Applicable N/A

Other notes:

Applicable N/A

3. Transfer of financial assets**(1). Classification of transfer methods**

Applicable N/A

(2). Financial assets derecognized due to transfer

Applicable N/A

(3). Transferred financial assets that continue to be involved in the financial asset

Applicable N/A

Other notes:

Applicable N/A

XIII. Fair Value Disclosure**1. Closing fair value of assets and liabilities measured at fair value**

Applicable N/A

In RMB Yuan

Item	Fair Value at the End of the Period			
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Ongoing Fair Value Measurements				
(I) Trading Financial Assets				

1. Financial assets at fair value through profit or loss (FVTPL)				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(3) Derivative financial assets				
2. Financial assets at fair value through profit or loss (FVTPL)				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(II) Other Debt Investments				
(III) Investments in Other Equity Instruments	14,523,380.46			14,523,380.4
(IV) Investment Properties				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use rights held for transfer after appreciation in value				
(V) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
(VI) Receivables financing			3,581,195.46	3,581,195.46
Total assets measured at fair value on an ongoing basis	14,523,380.46		3,581,195.46	18,104,575.92
(VII) Trading Financial Liabilities				
1. Financial liabilities at fair value through profit or loss (FVTPL)				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities at fair value through profit or loss (FVTPL)				
Total liabilities at fair value on an ongoing basis				

II. Discontinued fair value measurements				
(I) Assets Held for Sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. Basis for determining the market value of continuing and discontinued Level 1 fair value measurements

Applicable N/A

The investment in other equity instruments with the Level 1 fair value measurement held by the Group is a strategic placement project of Wafer Works, and the Company determines its fair value at its stock market price.

3. Qualitative and quantitative information on the valuation techniques and significant parameters used for the fair value measurement items in the continuous and discontinued Level 2 fair value hierarchy

Applicable N/A

4. Continuing and discontinuing Level 3 fair value measurement items, qualitative and quantitative information on valuation techniques used and significant parameters

Applicable N/A

The Group uses valuation techniques to determine the fair value of the structured deposits with Level 3 fair value measurement held by the Group. The valuation model used is mainly a discounted cash flow model. The inputs to the valuation technique are mainly the contractual expected rate of return.

The Level 3 fair value receivable financing held by the Group is a bank acceptance bill receivable, which has a small credit risk and a short remaining period. The Company determines its fair value based on its face balance.

5. Ongoing Level 3 fair value measurements, reconciliation information between opening and closing book balance and sensitivity analysis of unobservable parameters

Applicable N/A

6. Continuing fair value measurements, if there was a transition between levels in the period, the reasons for the transition and the policy for determining the point of transition.

Applicable N/A

7. Changes in valuation techniques in the period and the reasons for such changes

Applicable N/A

8. Fair value of financial assets and liabilities not measured at fair value

Applicable N/A

9. Others

Applicable N/A

XIV. Related Parties and Related Party Transactions**1. Parent company of the enterprise**

Applicable N/A

In RMB 10,000					
Name of Parent Company	Place of Registration	Nature of Business	Registered Capital	Parent Company's Shareholding Proportion in the Enterprise (%)	Proportion of Voting Rights of the Parent Company in the Enterprise (%)
Sheng Huei International CO. Ltd. ("Acter International")	Samoa	Investment holding company	USD 3,950,000	64.9973	64.9973

Description of the enterprise's parent company

None

The ultimate controlling party of the enterprise is Acter (Taiwan)

Other notes:

None

2. Information on subsidiaries of the enterprise

Details of the Company's subsidiaries are set out in the notes to the financial statements.

Applicable N/A

For details of the Group's subsidiaries, please refer to "X.1. Interests in subsidiaries" in this section.

3. Joint ventures and associates of the Enterprise

Details of significant joint ventures or associates of the Company are set out in the notes.

Applicable N/A

Other joint ventures or associates with which the Company has entered into related party transactions during the current period or with which the Company has entered into related party transactions in prior periods, resulting in balances, are as follows

Applicable N/A

Other notes:

Applicable N/A

4. Other related parties

Applicable N/A

Name of Other Related Parties	Relationship Between Other Related Parties and the Enterprise
NOVA Technology Corp. ("NOVA (Taiwan)")	Enterprises controlled by the same ultimate controlling shareholder
Winmax Technology Corp. ("Winmax (Shanghai)")	Enterprises controlled by the same ultimate controlling shareholder
Suzhou Winmax Technology Corp. ("Winmax (Suzhou)", formerly known as "Suzhou Guanbo")	Enterprises controlled by the same ultimate controlling shareholder

NOVA TECH ENGINEERING & CONSTRUCTION PTE. LTD. (“Winmax (Singapore)”), formerly known as “Singapore NOVA”)	Enterprises controlled by the same ultimate controlling shareholder
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Other notes:

None

5. Related party transactions

(1). Purchase and sale of goods, provision and acceptance of labor related party transactions

Purchase of goods/acceptance of services

Applicable N/A

Sale of goods/provision of services

Applicable N/A

Purchase and sale of goods, provision and acceptance of services

Applicable N/A

(2). Affiliated fiduciary management/contracting and entrusted management/contracting out

The Company's fiduciary management/contracting status table:

Applicable N/A

Explanation for Affiliated Fiduciary Management/Contracting

Applicable N/A

The Company's entrusted management/contracting

Applicable N/A

Management/contracting by affiliation

Applicable N/A

(3). Affiliated leasing

The Company acts as a lessor:

Applicable N/A

In RMB Yuan

Name of Lessee	Type of Leased Asset	Lease Income Recognized in the Period	Lease Income Recognized in the Prior Period
Winmax (Suzhou)	Lease of buildings	2,650,321.84	2,602,527.60

The Company acted as the lessee:

Applicable N/A

In RMB Yuan

Name of Lessor	Type of Leased Asset	Amount in the Current Period					Amount in the Prior Period				
		Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)	Variable lease payments not included in the measurement of the lease liability (if applicable)	Rental Payments	Interest Expense on Lease Liabilities Assumed	Increase in Right-of-use Assets	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)	Variable lease payments not included in the measurement of the lease liability (if applicable)	Rental Payments	Interest Expense on Lease Liabilities Assumed	Increase in Right-of-use Assets
Winmax (Singapore)	Lease of buildings	36,054.05		60,089.53			24,035.48		24,466.69		

Explanation for related leases

Applicable N/A

(4). Related guarantees

The Company as a guarantor

 Applicable N/A

The Company as a guaranteed party

 Applicable N/A

Explanation for related guarantees

 Applicable N/A**(5). Borrowing of funds from related parties** Applicable N/A

In RMB Yuan

Related Party	Borrowing Amount	Starting Date	Guarantee Expiration Date	Remarks
Borrowing				
Sheng Huei International	17,572,000.00	2025-11-3	2026-11-2	
Sheng Huei International	30,000,000.00	2025-1-9	2025-6-27	
Sheng Huei International	21,706,821.33	2024-11-15	2025-11-5	

(6). Transfer of assets and debt restructuring by related parties Applicable N/A**(7). Remuneration of key management personnel** Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Remuneration of key management personnel	4,987,012.36	4,678,862.35

(8). Other related party transactions Applicable N/A**6. Unsettled receivables and payables from related parties****(1). Items receivable** Applicable N/A**(2). Items payable** Applicable N/A

In RMB Yuan

Item	Related Party	Closing Book Balance	Opening Book Balance
Other payables	Winmax (Singapore)		42,632.40

Other payables	Sheng Huei International	17,572,000.00	21,706,821.33
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(3). Other items

Applicable N/A

7. Related party commitments

Applicable N/A

8. Others

Applicable N/A

(1) Payments on behalf of related parties

In RMB Yuan

Related Party	Content of Related Party Transactions	Amount in the Current Year	Amount in the Prior Year
Winmax (Suzhou)	Payment of utilities by Suzhou Acter on behalf of Winmax (Suzhou)	783,887.24	828,837.80
Total		783,887.24	828,837.80

(2) Acceptance of payment on behalf of related parties

In RMB Yuan

Related Party	Content of Related Party Transactions	Amount in the Current Year	Amount in the Prior Year
Novatech (Singapore)	Payment of utility bills on behalf of Sheng Huei (Singapore) by Novatech (Singapore)	16,102.87	15,222.47
Total		16,102.87	15,222.47

XV. Share-based payment**1. Equity instruments****(1). Details**

Applicable N/A

(2). Stock options or other equity instruments issued and outstanding at the end of the period

Applicable N/A

2. Equity-settled share-based payments

Applicable N/A

In RMB Yuan

Recipients of equity-settled share-based payments	
Method of determining the fair value of equity instruments at the date of grant	Determined on the basis of the appraised value or on the basis of the fair value calculated by taking into account the Company's own circumstances and the price-earnings ratio of the same industry
Important parameters of the fair value of equity instruments at the date of grant	
Basis for determining the number of available equity instruments	At each balance sheet date during the waiting period, the Company makes its best estimate of

	the number of vested equity latest available subsequent information, such as changes in the number of vested employees.
Reasons for significant differences between the period's estimate and the prior period's estimate	
Cumulative amount of equity-settled share-based payments recognized in capital surplus	32,368,025.42

Other notes:

None

3. Cash-settled share-based payments

Applicable N/A

4. Share-based payment expenses for the period

Applicable N/A

5. Modification and termination of share-based payment

Applicable N/A

6. Others

Applicable N/A

XVI. Commitments and contingencies

1. Important commitments

Applicable N/A

2. Contingencies

(1). Important contingencies existing at the balance sheet date

Applicable N/A

Name of Guaranteed Entity	Guarantee Matters	Currency	Amount	Guarantee Starting Date	Guarantee Expiration Date
Acter (Vietnam)	Contractual joint and several guarantee	RMB	71,345,119.56	2020-12-7	2026-7-17
Acter (Vietnam)	Contractual joint and several guarantee	RMB	4,473,565.17	2021-05-07	2026-7-08
Acter (Vietnam)	Contractual joint and several guarantee	RMB	5,430,176.59	2021-05-07	2026-7-17
Acter (Vietnam)	Contractual joint and several guarantee	RMB	21,076,153.89	2022-03-01	2027-11-30
Acter (Vietnam)	Contractual joint and several guarantee	RMB	17,168,854.83	2022-03-10	2027-11-30

Name of Guaranteed Entity	Guarantee Matters	Currency	Amount	Guarantee Starting Date	Guarantee Expiration Date
Acter (Vietnam)	Contractual joint and several guarantee	RMB	14,285,182.90	2023-01-10	2027-7-31
Acter (Vietnam)	Contractual joint and several guarantee	RMB	99,925,200.63	2023-07-07	2027-8-14
Acter (Vietnam)	Contractual joint and several guarantee	RMB	159,724,393.29	2023-10-12	2026-10-23
Acter (Vietnam)	Contractual joint and several guarantee	RMB	721,558.28	2023-11-13	2027-8-14
Acter (Vietnam)	Contractual joint and several guarantee	RMB	1,179,462.12	2023-11-27	2027-8-14
Acter (Shenzhen)	Bank financing	RMB	30,000,000.00	2024-02-28	2025-2-25
Shenzhen Dingmao	Bank financing	RMB	45,000,000.00	2024-02-28	2025-2-25
Acter (Vietnam)	Contractual joint and several guarantee	RMB	77,052,381.68	2024-4-28	2026-10-23
Acter (Malaysia)	Bank financing	RMB	50,000,000.00	2024-9-4	2025-8-15
Acter (Vietnam)	Contractual joint and several guarantee	RMB	5,419,120.43	2024-9-18	2026-10-23
Acter (Vietnam)	Contractual joint and several guarantee	RMB	42,847,381.09	2024-11-22	2028-5-30
Acter (Vietnam)	Contractual joint and several guarantee	RMB	13,389,806.59	2024-11-22	2028-5-30
Shenzhen Dingmao	Bank financing	RMB	20,000,000.00	2024-11-27	2025-12-08
Acter (Vietnam)	Contractual joint and several guarantee	RMB	13,623,950.00	2025-1-21	2027-9-21
Acter (Shenzhen)	Bank financing	RMB	20,000,000.00	2025-2-25	2028-1-31
Shenzhen Dingmao	Bank financing	RMB	45,000,000.00	2025-2-25	2028-1-31
Acter (Vietnam)	Contractual joint and several guarantee	RMB	277,128,240.00	2025-11-05	2027-6-15
Acter (Vietnam)	Contractual joint and several guarantee	RMB	8,950,056.00	2025-11-19	2031-2-28
Shenzhen Dingmao	Bank financing	RMB	20,000,000.00	2025-12-08	2028-11-12

(2). The Company has no material contingencies that need to be disclosed, which shall also be stated:

Applicable N/A

3. Others

Applicable N/A

XVII. Events After the Balance Sheet Date**1. Important non-adjusting events**

Applicable N/A

2. Profit distribution

Applicable N/A

	In RMB Yuan
Profit or dividend to be distributed	65,000,000.00
Profits or dividends declared after consideration and approval	80,000,000.00

Pursuant to the resolution of the 5th Meeting of the 3rd Board of Directors held on March 27, 2026, the Group's plan for profit distribution for the year 2025 is as follows:

Based on the total share capital of 100,000,000 shares as of the record date for dividend distribution, the Company will distribute a cash dividend of RMB 6.50 (tax-inclusive) for every 10 shares, totaling RMB 65,000,000 (tax-inclusive); the profit distribution plan has yet to be approved by the shareholders' meeting.

The interim dividends are as follows:

Pursuant to the resolution of the 2nd Meeting of the 3rd Board of Directors held on August 7, 2025, the Group's plan for profit distribution for the first half of 2025 is as follows:

Based on the total share capital of 100,000,000 shares as of the record date for dividend distribution, the Company will distribute a cash dividend of RMB 1.50 (tax-inclusive) for every 10 shares, totaling RMB 15,000,000 (tax-inclusive); the interim dividend distribution was completed on September 5, 2025.

3. Sales return

Applicable N/A

4. Description of other post-balance sheet events

Applicable N/A

XVIII. Other Important Matters**1. Correction of prior period accounting errors**

For details, refer to the "Explanation for the Company's Analysis of the Reasons for and Impact of Changes in Accounting Policies, Accounting Estimates or Correction of Material Accounting Errors" by the Company under "Milestone Events".

2. Significant debt restructuring

Applicable N/A

3. Asset replacement**(1). Non-monetary asset exchange**

Applicable N/A

(2). Other asset replacement

Applicable N/A

4. Annuity plan

Applicable N/A

5. Discontinued operations

Applicable N/A

6. Segment Information**(1). Basis for determining reportable segments and accounting policies**

Applicable N/A

The Group operates as a whole and has a unified internal organizational structure, management evaluation system, and internal reporting system. The management conducts resource allocation and performance evaluation by regularly reviewing financial information at the corporate level. The Group did not have any separately managed operating segments during the reporting period, and therefore the Group

(1) Geographical information

Information on the Group's revenue from external transactions by region is set out in the table below. Revenue from external transactions is classified according to the location of the clients who constructed the projects or purchased the products.

Location of Clients	Amount in the Current Year	Amount in the Prior Year
Chinese mainland	1,734,855,721.25	1,330,457,322.03
Southeast Asia	1,253,649,011.96	677,239,995.95
Other countries and regions		
Total	2,988,504,733.21	2,007,697,317.98

The Group's non-current assets (excluding deferred tax assets) are mainly located in Mainland China, based on the physical location of the assets (for fixed assets) and the location of the related operations (for intangible assets).

(2). Financial information of reportable segments

Applicable N/A

(3). If the Company does not have any reportable segments, or cannot disclose the total assets and total liabilities of each reportable segment, the reasons shall be explained

Applicable N/A

(4). Others

Applicable N/A

7. Other important transactions and matters affecting investors' decisions

Applicable N/A

8. Others

Applicable N/A

XIX. Notes to the Parent Company's Financial Statements**1. Accounts receivable****(1). Disclosure by aging**

Applicable N/A

In RMB Yuan		
Aging	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	339,827,285.35	250,656,933.39
1-6 months (including 6 months)	325,342,983.87	207,469,115.94
6 months - 1 year (including 1 year)	14,484,301.48	43,187,817.45
1 - 2 years	40,456,814.26	8,717,269.95
2 - 3 years	6,799,524.13	1,559,930.27
3 - 4 years	67,597.56	2,786,513.25
4 - 5 years		3,459,129.54
Above 5 years	10,801,759.52	7,542,629.98
Total	397,952,980.82	274,722,406.38

(2). Disclosure by method of provision for bad debts

Applicable N/A

In RMB Yuan										
Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual proportion (%)	
Provision for bad debts recognized on an individual basis	8,728,414.37	2.19	8,728,414.37	100.00		8,728,414.37	3.18	8,728,414.37	100.00	
Including:										
Provision for bad debts by portfolio	389,224,566.45	97.81	17,997,234.91	4.62	371,227,331.54	265,993,992.01	96.82	12,973,593.37	4.88	253,020,398.64
Including:										
Total	397,952,980.82	/	26,725,649.28	/	371,227,331.54	274,722,406.38	/	21,702,007.74	/	253,020,398.64

Provision for bad debts on an individual basis:

Applicable N/A

In RMB Yuan

Name	Closing Balance			Reason for Provision
	Book balance	Provision for Bad Debts	Accrual Proportion (%)	
Suzhou Mingqiao Municipal Engineering Co., Ltd.	2,158,200.00	2,158,200.00	100.00	Debtor's financial difficulties
Qinghua Group Xinjiang Coal Chemical Industry Co., Ltd.	6,570,214.37	6,570,214.37	100.00	Debtor's financial difficulties
Total	8,728,414.37	8,728,414.37	100.00	/

Explanation for provision for bad debts on an individual basis:

 Applicable N/A

Provision for bad debts by portfolio:

 Applicable N/A

Combined accrual item: aging portfolio

In RMB Yuan

Name	Closing Balance		
	Book balance	Provision for Bad Debts	Accrual Proportion (%)
1-6 months (including 6 months)	325,342,983.87	9,760,289.65	3.00
6 months - 1 year (including 1 year)	14,484,301.48	724,215.07	5.00
1 - 2 years	40,456,814.26	4,045,681.43	10.00
2 - 3 years	6,799,524.13	1,359,904.83	20.00
3 - 4 years	67,597.56	33,798.78	50.00
4 - 5 years			80.00
Above 5 years	2,073,345.15	2,073,345.15	100.00
Total	389,224,566.45	17,997,234.91	

Explanation for provision for bad debts by portfolio:

 Applicable N/A

Provision for bad debts based on the general model of expected credit

 Applicable N/A

In RMB Yuan

Provision for Bad Debts	Phase I	Phase II	Phase III	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses for the Entire Duration (No Credit Impairment)	Expected Credit Losses for the Entire Duration (Credit Impairment Incurred)	
Balance as of January 1, 2025	21,702,007.74			21,702,007.74
Balance as of January 1, 2025 in the period				
-- Transferred to Phase II				
-- Transferred to III				
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision in the period	5,023,641.54			5,023,641.54
Reversal in the period				

Write-offs in the period				
Cancellations in the period				
Other changes				
Balance at December 31, 2025	26,725,649.28			26,725,649.28

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of accounts receivable for which changes in the allowance for losses occurred in the period:

Applicable N/A

(3). Provision for bad debts

Applicable N/A

In RMB Yuan

Category	Opening Balance	Change in the Period				Closing Balance
		Provision	Recovery or Reversal	Write-offs or Cancellations	Other Changes	
Provision for bad debts	21,702,007.74	5,023,641.54				26,725,649.28
Total	21,702,007.74	5,023,641.54				26,725,649.28

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:
None

(4). Accounts receivable actually written off in the period

Applicable N/A

Significant accounts receivable written off among them

Applicable N/A

Description of accounts receivable written off:

Applicable N/A

(5). Accounts receivable and contract assets with top five closing balances summarized by party owed to the Company

Applicable N/A

In RMB Yuan

Unit Name	Closing Balance of Accounts Receivable	Closing Balance of Contract Assets	Closing Balance of Accounts Receivable and Contract Assets	Percentage of Total Closing Balances of Accounts Receivable and Contract Assets (%)	Closing Balance of Provision for Bad Debts

Company 1	134,591,888.4 0		134,591,888.4 0	14.75	4,037,756.65
Company 2		103,870,884.3 8	103,870,884.3 8	11.38	519,354.42
Company 3	58,709,868.68	28,296,301.30	87,006,169.98	9.53	4,161,482.68
Company 4		85,792,871.34	85,792,871.34	9.40	438,199.32
Company 5	66,219,123.62	12,838,121.34	79,057,244.96	8.66	2,073,312.11
Total	259,520,880.7 0	230,798,178.3 6	490,319,059.0 6	53.72	11,230,105.18

Other notes:

None

Other notes:

Applicable N/A

2. Other receivables

Item presentation

Applicable N/A

Item	In RMB Yuan	
	Closing Balance	Opening Balance
Interest receivable		
Dividends receivable		
Other receivables	20,160,353.84	40,526,268.65
Total	20,160,353.84	40,526,268.65

Other notes:

Applicable N/A

Interest receivable

(1). Classification of interest receivable

Applicable N/A

(2). Significant overdue interest

Applicable N/A

(3). Disclosure by method of provision for bad debts

Applicable N/A

Provision for bad debts on an individual basis:

Applicable N/A

Explanation for provision for bad debts on an individual basis:

Applicable N/A

Provision for bad debts by portfolio:

Applicable N/A

(4). Provision for bad debts based on the general model of expected credit

Applicable N/A

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of interest receivables for which changes in the allowance for losses occurred in the period:

Applicable N/A

(5). Provision for bad debts

Applicable N/A

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:

None

(6). Actual write-off of interest receivable in the period

Applicable N/A

Write-off of significant interest receivables

Applicable N/A

Description of write-offs:

Applicable N/A

Other notes:

Applicable N/A

Dividends receivable

(1). Dividends receivable

Applicable N/A

(2). Significant dividends receivable with an age of more than 1 year

Applicable N/A

(3). Disclosure by method of provision for bad debts

Applicable N/A

Provision for bad debts on an individual basis:

Applicable N/A

Explanation for provision for bad debts on an individual basis:

Applicable N/A

Provision for bad debts by portfolio:

Applicable N/A

(4). Provision for bad debts based on the general model of expected credit

Applicable N/A

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of dividend receivables for which changes in the allowance for losses occurred in the period:

Applicable N/A

(5). Provision for bad debts

Applicable N/A

Of which the amount of bad debt provision recovered or reversed in the period is significant:

Applicable N/A

Other notes:

None

(6). Dividends receivable actually written off in the period

Applicable N/A

Write-off of significant dividends receivable

Applicable N/A

Description of write-offs:

Applicable N/A

Other notes:

Applicable N/A

Other receivables

(1). Disclosure by aging

Applicable N/A

Aging	In RMB Yuan	
	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	16,408,680.01	39,233,900.27
Within 1 year (including 1 year)	16,408,680.01	39,233,900.27
1 - 2 years	3,106,501.41	464,220.00
2 - 3 years	481,000.00	831,800.00
3 - 4 years	631,400.00	483,700.00
4 - 5 years	44,200.00	4,000.00
Above 5 years	25,000.00	28,000.00
Total	20,696,781.42	41,045,620.27

(2). Breakdown by nature of payment

Applicable N/A

Nature of Payment	In RMB Yuan	
	Closing Book Balance	Opening Book Balance
Current account	11,802,683.89	32,472,837.56
Margin and deposit	5,770,324.56	6,851,051.41
Imprest	823,460.00	824,467.00
Others	2,300,312.97	897,264.30
Total	20,696,781.42	41,045,620.27

(3). Provision for bad debts Applicable N/A

In RMB Yuan

Provision for Bad Debts	Phase I	Phase II	Phase III	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses for the Entire Duration (No Credit Impairment)	Expected Credit Losses for the Entire Duration (Credit Impairment Incurred)	
Balance as of January 1, 2025	519,351.62			519,351.62
Balance as of January 1, 2025 in the period				
-- Transferred to Phase II				
-- Transferred to III				
-- Reversed to Phase II				
-- Reversed to Phase I				
Provision in the period	17,075.96			17,075.96
Reversal in the period				
Write-offs in the period				
Cancellations in the period				
Other changes				
Balance at December 31, 2025	536,427.58			536,427.58

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of other receivables for which changes in provision for losses occurred in the period:

 Applicable N/A

The amount of provision for bad debts for the current period and the basis adopted for assessing whether there is a significant increase in the credit risk of financial instruments:

 Applicable N/A**(4). Provision for bad debts** Applicable N/A

In RMB Yuan

Category	Opening Balance	Change in the Period				Closing Balance
		Provision	Recovery or Reversal	Write-offs or Cancellation	Other Changes	

				s		
Provision for bad debts	519,351.63	17,075.96				536,427.58
Total	519,351.63	17,075.96				536,427.58

Of which the amount of provision for bad debts reversed or recovered in the period is significant:

Applicable N/A

Other notes:

None

(5). Other receivables actually written off in the period

Applicable N/A

Significant other receivables written off in the period:

Applicable N/A

Description of other receivables written off:

Applicable N/A

(6). Other receivables with the top five closing balances grouped by party owed

Applicable N/A

In RMB Yuan

Unit Name	Closing Balance	Percentage of Total Closing Balances of Other Receivables (%)	Nature of Payment	Aging	Closing Balance of Provision for Bad Debts
Thailand Engineering Project	5,492,936.25	26.54	Current account	Within 1 year	
Vietnam Engineering Project	5,279,763.86	25.51	Current accounts	Within 1 year	
Nanjing Keystone Technology Co., Ltd.	2,084,051.41	10.07	Margin and deposit	1–2 years	104,202.57
Jiangsu Carplus Financial Leasing Co., Ltd.	1,404,000.00	6.78	Margin and deposit	Within 1 year, 1–2 years, 2–3 years, 3–4 years	70,200.00
Malaysia Engineering Project	1,029,983.78	4.98	Current account	Within 1 year	
Total	15,290,735.30	73.88	/	/	174,402.57

(7). Presented in other receivables due to centralized management of funds

Applicable N/A

Other notes:

Applicable N/A

3. Long-term equity investment

Applicable N/A

In RMB Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
Investments in subsidiaries	129,112,645.74		129,112,645.74	129,112,645.74		129,112,645.74
Total	129,112,645.74		129,112,645.74	129,112,645.74		129,112,645.74

(1). Investments in subsidiaries

Applicable N/A

In RMB Yuan

Investees	Opening balance (book value)	Opening balance of impairment reserve	Increase/decrease in the Period				Closing Balance (Book Value)	Closing Balance of Provision for Impairment
			Additions to Investments	Decrease in Investments	Provision for Impairment	Others		
Acter (Shenzhen)	37,527,798.95						37,527,798.95	
Acter (Hong Kong)	28,651,120.44						28,651,120.44	
Indonesia Joint Venture	15,765,761.86						15,765,761.86	
Acter (Vietnam)	14,516,750.00						14,516,750.00	
Acter (Malaysia)	14,287,800.00						14,287,800.00	
Acter (Singapore)	13,363,414.49						13,363,414.49	
Shenzhen Dingmao	5,000,000.00						5,000,000.00	
Total	129,112,645.74						129,112,645.74	

(2). Investments in associates and joint ventures

Applicable N/A

(3). Impairment testing of long-term equity investments

Applicable N/A

Other notes:
None

Determination of recoverable amount the net amount of fair value less costs of disposal

Applicable N/A

Determination of recoverable amount as the present value of estimated future cash flows

Applicable N/A

Reasons for significant inconsistencies between the aforementioned information and the information adopted or external information used in impairment tests in prior years

Applicable N/A

Reasons for significant inconsistencies between the information adopted in the Company's impairment tests in prior years and the actual circumstances of the current year

Applicable N/A

Other notes:

None

4. Operating revenues and operating costs

(1). Operating revenue and operating costs

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period		Amount in the Prior Period	
	Revenue	Cost	Revenue	Cost
Main business	1,610,869,784.4 4	1,478,773,270.0 4	1,255,177,173. 13	1,124,427,57 5.11
Other businesses	14,226,320.51	12,672,569.89	7,149,008.49	5,246,186.93
Total	1,625,096,104.9 5	1,491,445,839.9 3	1,262,326,181. 62	1,129,673,76 2.04

(2). Breakdown information of operating revenues and operating costs

Applicable N/A

In RMB Yuan

Contract Classification	Parent Company		Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Commodity type				
Clean room engineering	1,386,833,137. 41	1,271,807,859.76	1,386,833,137.41	1,271,807,859.76
Other electromechanical installation works	224,036,647.03	206,965,410.28	224,036,647.03	206,965,410.28
Equipment sales				
Other businesses	14,226,320.51	12,672,569.89	14,226,320.51	12,672,569.89
By region of operation				
Domestic	1,625,096,104. 95	1,491,445,839.93	1,625,096,104.95	1,491,445,839.93
Type of market or client				
IC semiconductor industry	1,500,369,000. 51	1,379,458,657.66	1,500,369,000.51	1,379,458,657.66
Precision manufacturing industry	90,878,698.46	82,277,144.06	90,878,698.46	82,277,144.06
Photoelectricity industry	14,970,396.44	19,720,626.74	14,970,396.44	19,720,626.74
Other industries	4,651,689.03	-2,683,158.42	4,651,689.03	-2,683,158.42
Other businesses	14,226,320.51	12,672,569.89	14,226,320.51	12,672,569.89

Contract type				
Sale of goods				
Construction contracts	1,610,869,784.44	1,478,773,270.04	1,610,869,784.44	1,478,773,270.04
Other businesses	14,226,320.51	12,672,569.89	14,226,320.51	12,672,569.89
Classification by timing of merchandise transfers				
Revenue recognized at a certain point in time	14,226,320.51	12,672,569.89	14,226,320.51	12,672,569.89
Revenue recognized at a certain point in time	1,610,869,784.44	1,478,773,270.04	1,610,869,784.44	1,478,773,270.04
By contract term				
By sales channel				
Total	1,625,096,104.95	1,491,445,839.93	1,625,096,104.95	1,491,445,839.93

Other notes:

Applicable N/A

(3). Explanation for performance obligations

Applicable N/A

(4). Description of apportionment to remaining performance obligations

Applicable N/A

(5). Significant contract changes or significant transaction price adjustments

Applicable N/A

Other notes:

None

5. Investment income

Applicable N/A

In RMB Yuan

Item	Amount in the Current Period	Amount in the Prior Period
Income from long-term equity investments accounted for under the cost method		
Income from long-term equity investments accounted for by the equity method		
Investment income from disposal of long-term equity investments		
Investment income during the holding period of financial assets for trading		
Dividend income from other equity instruments during the holding period	132,391.80	197,574.90
Interest income earned on debt investments during the holding period		

Interest income earned on other debt investments during the holding period		
Investment income from disposal of trading financial assets	881,433.21	590,263.94
Investment income from disposal of other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		
Dividend distribution	14,907,818.18	9,000,000.00
Total	15,921,643.19	9,787,838.84

Other notes:

None

6. Others

Applicable N/A

XX. Supplementary information

1. Details of non-recurring gains and losses for the period

Applicable N/A

Item	Amount	In RMB Yuan
		Remarks
Profits or losses on disposal of non-current assets, including elimination of provision for asset impairment	442,259.80	
Government grants recognized in current profit or loss, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	227,523.20	
Profits or losses from changes in fair value of financial assets and liabilities held by non-financial enterprises and profits or losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal business operations		
Occupancy fees charged to non-financial enterprises recognized in profit or loss for the period		
Profits or losses on entrusted investment or asset management		
Profits or losses on entrusted external loans		
Losses on assets due to force majeure, such as natural disasters		
Reversal of provision for impairment of receivables individually tested for impairment		
Gain arising from the difference between the cost of investment in subsidiaries, associates, and joint ventures and the fair value of net identifiable assets of the investee at the time of investment		

acquisition		
Subsidiaries arising from a business combination under the same control Net gain or loss for the period from the beginning of the period to the date of the combination		
Gain or loss on exchange of non-monetary assets		
Profits or losses on debt restructuring		
One-time costs incurred by the enterprise due to discontinuation of relevant business activities, such as employee relocation expenses,		
One-time impact on profit or loss due to adjustments in tax, accounting, and other laws and regulations.		
One-time share-based payment expenses recognized due to cancellation or modification of the share incentive plan		
Gains or losses arising from changes in the fair value of employee remuneration payable after the feasible date for cash-settled share-based payments		
Gains or losses from changes in fair value of investment properties subsequently measured using the fair value model		
Profits or losses from transactions with an apparent unfair price		
Gains or losses arising from contingencies unrelated to the Company's normal business operations		
Custodian fee income from entrusted operations		
Non-operating revenue and expenses other than those mentioned above	-505,344.98	
Other profits or losses that meet the definition of non-recurring profits or losses		
Less: income tax effect	4,785.03	
Effect of minority interests (after tax)	2,142.65	
Total	157,510.34	

The Company shall state why, if it recognizes the items not listed in the *Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-Recurring Profit and Loss* as non-recurring profit and loss items and that the amount of such items is large, or if it defines the non-recurring profit and loss items listed in the *Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-Recurring Profit and Loss* as recurring profit and loss.

Applicable N/A

Other notes:

Applicable N/A

2. Return on net assets and earnings per share

Applicable N/A

Profit for the Reporting Period	Weighted average Return on Net Assets (%)	Earnings per Share	
		Basic Earnings per Share	Diluted Earnings per Share

Net profit attributable to ordinary shareholders of the Company	13.66	1.55	1.55
Net profit attributable to ordinary shareholders of the Company after extraordinary gains and losses	13.65	1.54	1.54

3. Differences in Accounting Data under Domestic and Overseas Accounting Standards

Applicable N/A

4. Others

Applicable N/A

Chairman: Liang Jinli

Date of approval for filing by the board of directors: March 27, 2026

Revised information

Applicable N/A