

**Shenzhen Honor Electronic
Co., Ltd.**

2023 Annual Report

2024-006

April 2024

2023 Annual Report

Section 1 Important Tips, Table of Contents and Interpretation

The company's board of directors, board of supervisors, directors, supervisors and senior management personnel guarantee that the contents of the annual report are true, accurate and complete, and there are no false records, misleading statements or major omissions, and bear individual and joint legal liabilities.

Wang Heqiu, the person in charge of the company, Zhang Shuyuan, the person in charge of accounting work, and Tan Qun, the person in charge of the accounting department (accounting officer), hereby confirm that the financial report in this annual report is true, accurate and complete.

All directors attended the board meeting at which the report was considered.

Any content in this report that involves the company's future plans, performance forecasts, etc., does not constitute the company's commitment to any investors and related parties. Investors and related parties should maintain adequate risk awareness in this regard and should understand the differences between plans, forecasts and commitments.

The third section of this annual report, "Management Discussion and Analysis", describes the risks that may exist in the company's future operations and the countermeasures. Investors are advised to read the relevant content.

The profit distribution plan approved by the board of directors of the company is: based on 99,544,700, a cash dividend of RMB 3.40 (including tax) will be distributed to all shareholders for every 10 shares, 0 bonus shares (including tax) will be distributed, and 0 shares will be transferred to all shareholders from the capital reserve for every 10 shares.

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Reference file directory

- I. The original text of the 2023 annual report with the signature of the legal representative.

2. Financial statements with the signatures and seals of the person in charge of the company, the person in charge of accounting work, and the person in charge of the accounting organization (accounting officer).

3. The original audit report with the seal of the accounting firm and the signature and seal of the certified public accountant.

- IV. The originals of all company documents and announcements that have been publicly disclosed during the reporting period.

- V. Other documents for reference.

The place where the above reference documents are prepared: the office of the company's board of directors.

Paraphrase

Paraphrase	Depend on	Paraphrase content
The company, the company, Honor Electron, Shenzhen Honor Electron	Depend on	Shenzhen Honor Electronic Co., Ltd.
Ganzhou Honor Electron	Depend on	Honor Electron (Ganzhou) Electronics Co., Ltd., a wholly-owned subsidiary of the company
Hong Kong Honor Electron	Depend on	Hong Kong Honor Electron Technology Co., Ltd., a wholly-owned subsidiary of the company
Vietnam Honor Electron	Depend on	Vietnam Honor Electron Technology Co., Ltd., a wholly-owned subsidiary of Hong Kong Honor Electron
Taiwan Honor Electron	Depend on	Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch, Hong Kong Honor Electron Branch
Dongguan Honor Electron	Depend on	Dongguan Honor Electron Electronics Co., Ltd., a wholly-owned subsidiary of the company
Shanghai Honor Electron	Depend on	Shanghai Honor Electron Electronic Technology Co., Ltd., a wholly-owned subsidiary of the company
(USA) Axnon	Depend on	Axnon Co., Ltd., formerly known as (U.S.) Honor Electron Technology Co., Ltd., is a wholly-owned subsidiary of the company
Hangzhou Yundian	Depend on	Hangzhou Yundian Technology Energy Co., Ltd., a holding subsidiary of the company
Shenzhen Zhilian	Depend on	Shenzhen Honor Electron Zhilian Technology Co., Ltd., a wholly-owned subsidiary of the company
Anbo	Depend on	Shanghai Anshibo Energy Technology Co., Ltd., the company's shareholding company
Bodian Yunke	Depend on	Suzhou Bodian Yunke Energy Technology Co., Ltd., the company's shareholding company
Suzhou Yundian, Suzhou Yundian Electronics, Yundian Electronics	Depend on	Suzhou Yundian Electronics Manufacturing Co., Ltd., formerly known as Suzhou Anshibo Energy Technology Co., Ltd., is a wholly-owned subsidiary of the company
Shenzhen Gnoli	Depend on	Shenzhen Gnoli Information Consulting Co., Ltd., formerly known as "Shenzhen Gnoli Electronics Co., Ltd.", is one of the controlling shareholders of the company
King Yue	Depend on	Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership), formerly known as Shenzhen Wangyuewang Investment Partnership (Limited Partnership), is one of the controlling shareholders of the Company

Tongju	Depend on	Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership), formerly known as Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership), is one of the shareholders of the Company
Articles of Association	Depend on	Articles of Association of Shenzhen Honor Electronic Co., Ltd.
General Meeting of Shareholders	Depend on	Shareholders' meeting of Shenzhen Honor Electronic Co., Ltd.
Board of directors	Depend on	Board of Directors of Shenzhen Honor Electronic Co., Ltd.
Supervisory Board	Depend on	Board of Supervisors of Shenzhen Honor Electronic Co., Ltd.
China Securities Regulatory Commission	Depend on	China Securities Regulatory Commission
Shenzhen Stock Exchange	Depend on	Shenzhen Stock Exchange
Company law	Depend on	Company Law of the People's Republic of China
Securities law	Depend on	Securities Law of the People's Republic of China
Accounting firm	Depend on	Tianzhi International Accounting Firm (Special General Partnership)
Yuan, ten thousand yuan, one hundred million yuan	Depend on	RMB yuan, RMB 10,000 yuan, RMB 100 million yuan
Reporting period	Depend on	January 1, 2023 to December 31, 2023
Same period last year, last period	Depend on	January 1, 2022 to December 31, 2022

Section 2 Company Profile and Main Financial Indicators

I. Company information

Stock abbreviation	Honor Electron	Stock code	300870
Chinese name of the company	Shenzhen Honor Electronic Co., Ltd.		
Chinese abbreviation of the company	Honor Electron		
Legal representative of the company	Wang Heqiu		
Registered address	No. 19, Building 1, China Southern Airlines Pearl Garden, No. 175, Hangcheng Avenue, Sanwei Community, Hangcheng Street, Bao'an District, Shenzhen		
Postal code of registered address	518000		
Historical changes of the company's registered address	The company held its first extraordinary general meeting of shareholders in 2023 on January 17, 2023, and reviewed and approved the "Proposal on the Proposed Change of the Company's Registered Address, Registered Capital and Amendment of Some Articles of the Articles of Association". The industrial and commercial change registration will be completed on November 17, 2023. Before the change, the registered address was No. 1, No. 2 and No. 3 of the factory building of Xinghui Industrial Factory, Gushu No. 2 Road, Xixiang Street, Bao'an District, Shenzhen (Buildings A, B and C of Xinghui Science and Technology Park).		
Office address	No. 19, Building 1, China Southern Airlines Pearl Garden, No. 175, Hangcheng Avenue, Sanwei Community, Hangcheng Street, Bao'an District, Shenzhen		
Postal code of office address	518000		
Company URL	http://www.honor-cn.com/		
E-mail	ir1@honor-cn.com		

II. Contact person and contact information

	Board secretary	Securities Affairs Representative
Name	Shang Yunsi	Wang Xiaodan
Contact address	No. 19, Building 1, China Southern Airlines Pearl Garden, No. 175, Hangcheng Avenue, Sanwei Community, Hangcheng Street, Bao'an District, Shenzhen	No. 19, Building 1, China Southern Airlines Pearl Garden, No. 175, Hangcheng Avenue, Sanwei Community, Hangcheng Street, Bao'an District, Shenzhen
Telephone	0755-81453432	0755-81453432
Fax	0755-81453115	0755-81453115
E-mail	ir1@honor-cn.com	ir1@honor-cn.com

III. Information Disclosure and Preparation Location

The stock exchange website where the company discloses its annual report	Shenzhen Stock Exchange: http://www.szse.cn
The name and website of the media where the company discloses its annual report	"Securities Times", "China Securities Journal", "Shanghai Securities News", "Securities Daily", Juchao Information Network (http://www.cninfo.com.cn/)
Where the company's annual report is prepared	Office of the Company's Board of Directors

IV. Other relevant information

Accounting firm hired by the company

Accounting firm name	Tianzhi International Accounting Firm (Special General Partnership)
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Office address of accounting firm	Areas A-1 and A-5, Building 68, No. 19, Chegongzhuang West Road, Haidian District, Beijing
Name of signing accountant	Zhang Lei, Fan Kelei

Sponsor institutions engaged by the company to perform continuous supervision duties during the reporting period

Applicable Not applicable

Sponsor name	Sponsor's office address	Sponsor representative name	During continuous supervision
Sinolink Securities Co., Ltd.	Floor 23, Zizhu International Building, No. 1088 Fangdian Road, Pudong New Area, Shanghai	Lin Haifeng, Tang Jun	August 24, 2020 to December 31, 2023

Financial consultants hired by the company to perform continuous supervision duties during the reporting period

Applicable Not Applicable

V. Main accounting data and financial indicators

Whether the company needs to retrospectively adjust or restate the accounting data of previous years

Yes No

Reasons for retrospective adjustment or restatement

Accounting policy changes

	2023	2022		Increase or decrease this year over the previous year	2021	
		Before adjustment	After adjustment		After adjustment	Before adjustment
Operating income (yuan)	2,869,998,960.72	2,703,124,681.08	2,703,124,681.08	6.17%	2,571,948,034.70	2,571,948,034.70
Net profit attributable to shareholders of listed companies (yuan)	195,731,160.07	90,164,755.84	90,424,021.86	116.46%	111,089,551.62	111,089,551.62
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	68,717,093.34	72,121,634.86	72,380,900.88	-5.06%	82,350,728.00	82,350,728.00
Net cash flow from operating activities (yuan)	392,374,782.30	137,332,797.04	137,332,797.04	185.71%	161,952,333.15	161,952,333.15
Basic earnings per share (yuan/share)	1.93	0.86	0.89	116.85%	1.10	1.10

Diluted earnings per share (yuan/share)	1.93	0.86	0.89	116.85%	1.10	1.10
Weighted average return on equity	10.52%	5.54%	5.69%	4.83%	7.25%	7.25%
	End of 2023	End of 2022		Increase or decrease at the end of this year compared to the end of the previous year	End of 2021	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Total assets (yuan)	3,749,607,108.44	3,338,609,904.93	3,348,442,526.64	11.98%	3,674,255,685.07	3,674,255,685.07
Net assets attributable to shareholders of listed companies (yuan)	1,857,283,741.55	1,627,266,445.12	1,627,525,711.14	14.12%	1,573,898,616.46	1,573,898,616.46

Reasons for changes in accounting policies and corrections of accounting errors

From January 1, 2023, the Company adopts the relevant provisions of "Accounting for Initial Recognition Exemption for Deferred Income Taxes related to assets and liabilities arising from a single transaction" in the "Accounting Standards for Business Interpretation No. 16" (Caikuai [2022] No. 31), and adjusts the amount of right-of-use assets, lease liabilities, retained earnings at the beginning of the year and other relevant items in the financial statements according to the cumulative impact, and does not adjust the information for comparable periods.

The lower of the company's net profit before and after deducting non-recurring gains and losses in the last three fiscal years is negative, and the audit report of the most recent year shows that the company's ability to continue operations is uncertain

■ whether

The lower of the net profit before and after deducting non-recurring gains and losses is negative

■ whether

VI. Main Financial Indicators by Quarter

Unit:
Yuan

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	519,050,617.70	776,272,541.65	770,367,481.19	804,308,320.18
Net profit attributable to shareholders of listed companies	1,728,427.51	6,623,208.37	34,563,148.27	152,816,375.92
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-1,108,412.69	32,615,677.98	29,018,800.39	8,191,027.66
Net cash flow from operating activities	143,956,380.13	40,376,803.06	124,095,159.53	83,946,439.58

Whether the above financial indicators or their total numbers are materially different from the relevant financial indicators of the company's disclosed quarterly reports and semi-annual reports

■ whether

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

1. Differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards at the same time

■ Applicable Not Applicable

During the reporting period, there was no difference in net profit and net assets in the financial reports disclosed in accordance with international accounting standards and in accordance with Chinese accounting standards.

2. Differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards at the same time

■ Applicable Not Applicable

During the reporting period, there was no difference in net profit and net assets in the financial reports disclosed in accordance with overseas accounting standards and in accordance with Chinese accounting standards.

VIII. Items and amounts of non-recurring gains and losses

Applicable ■ Not applicable

Unit:

Projects	2023 Amount	2022 Amount	2021 Amount	Description
Gains and losses on disposal of illiquid assets (including the write-off portion of the provision for asset impairment)	134,468,073.64	-1,582,562.59	-251,534.64	Mainly the investment income recognized by the transfer of the equity of the subsidiary in the current period.
Government included in current profit or loss	11,317,917.36	15,581,971.16	22,703,585.96	Mainly government subsidies
Subsidies (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the company's profits and losses)				Enter.

In addition to the effective hedging business related to the company's normal business operations, the gains and losses from changes in fair value arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities		117,200.00	457,470.14	
Profit and loss of entrusting others to invest or manage assets	2,608,156.10	3,992,129.99	11,147,083.33	It is the income from wealth management products actually received in the current period.
The investment cost of the enterprise to obtain subsidiaries, associates and joint ventures is less than the income from the fair value of the investee's identifiable net assets when the investment is obtained		-39,358.81		
Other non-operating revenue and expenditure other than the above-mentioned items	258,124.04	2,850,747.94	-504,862.11	
Other profit and loss items that meet the definition of non-recurring profit and loss	-20,743,315.69			
Less: Income tax impact amount	1,120,096.81	2,877,006.71	4,812,919.06	
Amount of impact on minority shareholders' equity (after tax)	-225,208.09			
Total	127,014,066.73	18,043,120.98	28,738,823.62	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable Not applicable

Other profit and loss items that meet the definition of non-recurring profit and loss are mainly value-added tax deduction, withholding tax handling fee refund, and share-based payment.

Explanation of the situation of defining the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss" as recurring profit and loss items

Applicable Not Applicable

The company does not define the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss" as recurring profit and loss items.

Section 3 Management Discussion and Analysis

I. The industry in which the company operates during the reporting period

(1) The basic situation of the industry in which the company is located

The company is deeply involved in the switching power supply industry, which is an important segment of the power supply industry. The power supply industry is a comprehensive industry based on power electronic technology, involving semiconductor power devices, frequency conversion technology, electromagnetic technology, computer (microprocessor) technology and integrated automatic control technology. Power products are devices that provide power to electronic devices, also known as power supplies (Power Supply). The performance stability of power supplies directly affects the working performance and service life of electronic devices. China Power Supply Society subdivides power supply products into switching power supply, UPS power supply, new energy power supply, linear power supply and other power supplies according to product functions and effects.

China's power supply industry has a broad development space and has maintained a steady growth trend in recent years. According to the China Power Supply Industry Yearbook, the output value of China's power supply industry will reach 517.4 billion yuan in 2022, a year-on-year increase of 32.33%, and the compound annual growth rate from 2015 to 2022 is 15.2%.

Looking ahead, with the sustained and rapid development of China's economy, as well as the continuous investment of government and market participants in data center infrastructure, 5G communications, new energy, Internet of Things and other power supply downstream application industries, the domestic power supply industry is expected to continue to maintain rapid growth.

(2) The development of the industry in which the company is located

In the output value scale of the power supply industry, switching power supply products account for a relatively high proportion. As a rigid demand for many power electronic electrical equipment, the market for switching power supply products will gradually increase with economic growth and the improvement of informatization, and the overall demand is expected to continue to grow steadily.

In the field of switching power supplies, upstream raw materials mainly include PCBs, semiconductors, resistors and capacitors, magnetic materials, wires, etc. Among them, metal raw materials such as copper and aluminum are used more.

Switching power supply products have a wide range of downstream applications. The main application scenarios include industrial automation control, communication equipment, security monitoring, instrumentation, medical equipment, various IT and consumer electronic equipment, etc. According to the China Power Supply Industry Yearbook, the demand for switching power supplies in the domestic market in 2020 is concentrated in the industrial field, accounting for 53.94%; the second largest application field is the consumer electronics field, accounting for 33.05%. The rapid growth of new infrastructure industries such as big data centers, 5G, and industrial Internet has opened up a wider range of application scenarios for switching power supply products, and has promoted the development of high-power switching power supply technology.

(1) Power adapter field

The company's power adapter products are mainly used in the fields of office electronics, security monitoring, network communication and smart home. In the past two years, the overall demand in the consumer electronics market has been weak, which has brought certain challenges to the growth of the company's power adapter business. Looking forward to 2024, the demand for consumer electronics will show signs of recovery. Superimposed on the consumption of new products generated by the application of artificial intelligence based on the big language model, the overall demand of the industry may improve compared with 2022 and 2023, laying a good market foundation for the steady growth of the company's power adapter business.

Office electronics is one of the important downstream markets for power adapters. Among them, in the display industry, according to International Data Corporation (IDC) statistics, global PC display shipments in 2023 fell 8.6% year-on-year. However, thanks to the iterative upgrade of products, the improvement of cost performance and the continuous growth of the game market, the PC display market is expected to recover moderately in 2024, and PC display shipments in 2025 will return to a healthy level. In the personal computer (PC) industry, market research firm Canalys reported that global PC shipments in the fourth quarter of 2023 increased by 3% year-on-year, ending seven consecutive quarters of decline. Although PC shipments in 2023 are still down 13% YoY with 247 million units, Canalys expects the global PC market to experience strong growth thanks to the Windows update cycle and the trend of artificial intelligence-enabled personal computers (AI PCs), and global PC shipments in 2024 will return to the level of 2019.

Smart home has become an emerging downstream application market for power adapters and an important source of contribution to the growth of the company's power adaptation business. According to the analysis of International Data Corporation (IDC), due to the dual impact of the macro consumption environment and its own development cycle, the growth rate of China's smart home market will slow down in 2023. However, with the clarification and application of technology trends such as large models and edge-end deployment of AI capabilities, the ecological and consumer needs involved in smart home devices such as human-computer interaction, privacy protection, and personalized services may be reshaped, driving the recovery of the smart home market. International Data Corporation (IDC) expects smart home device shipments to grow 6.5% YoY in 2024.

(2) Data center infrastructure

Data center infrastructure is one of the important application scenarios of switching power supply products in the industrial field. The company's products in the field of data center infrastructure involve server power supplies, memory power supplies, and network equipment power supplies. The application of emerging information technologies such as cloud computing, big data, artificial intelligence, and the Internet of Things is the core driving force for the development of data centers, and has built a stable growth foundation for the demand for data center-related products. According to data from China Academy of Information and Communications Technology, the global data center market will reach US \$68.558 billion in 2022, a year-on-year increase of 0.92%, with a compound growth rate of 7.46% from 2016 to 2021. According to data from International Data Corporation (IDC), China's server market will ship 3.94 million units in 2022, with a compound growth rate of 13% from 2010 to 2022.

Since the end of 2022, the launch of ChatGPT3.5 has opened the era of large language models with hundreds of billions of parameters. With the R&D iterations of manufacturers, the parameters of large models have gradually increased from hundreds of billions to trillions, and the data dimension has also expanded from text models to multi-modal fields such as vision and sound, which is expected to bring about explosive growth in computing power demand.

Looking forward to 2024, it is expected that the capital expenditure of domestic and foreign cloud service vendors will pick up, driving the recovery of data center construction and server demand, laying a good market demand environment for the company's data center power products; in addition, the demand for traditional AI servers will continue to maintain a medium-to-high growth rate, becoming a key driver for the overall power upgrade of the company's server power products; The demand for high-performance computing servers for large-model generative AI will continue to grow rapidly on the basis of 2023, bringing opportunities for further rapid growth for the company's high-power server power supply.

In the future, the growth of intelligent computing power is expected to become the main driving force for the growth of overall computing power demand. AI servers, especially high-performance servers for generative AI, will become the bright spot of server market growth. The "Assessment Report on China's Artificial Intelligence Computing Power Development from 2023 to 2024" jointly released by International Data Corporation (IDC) and Inspur shows that China's general computing power and intelligent computing power will reach 54.5 EFLOPS and 259.9 EFLOPS respectively in 2022, and it is expected that the general computing power and intelligent computing power will reach 117.3 EFLOPS and 1117.4 EFLOPS respectively by 2027. From 2022 to 2027, the compound annual growth rate of China's intelligent computing power will reach 33.9%. According to the data of China's Artificial Intelligence Computing Power Development Evaluation Report from 2023 to 2024, the compound growth rate of global AI server scale from 2022 to 2026 is 15.5%; among them, the market size of servers used to run generative AI will increase from 4.2% in 2022 to 31.7% in 2026, with an average annual compound growth rate of 91.4%.

In the future, high computing power demand scenarios represented by the development and application of AIGC technology are expected to emerge at an accelerated pace, which will further promote the growth of data center computing power, and put forward higher requirements for data center energy saving, carbon reduction and high-density development. With the increase in the number of server constructions, the iterative demand for high-power, high-density, and energy-efficient technologies will also become more urgent, creating greater development opportunities for the sales and upgrades of data center power products including server power supplies.

(3) New energy and energy storage fields

In the context of the "low-carbon era" with the goal of carbon peaking and carbon neutrality, the vigorous development of new energy-related industries has become an important strategic measure to cope with global climate change and optimize the energy structure. The company is actively deploying in the field of new energy and energy storage, and its main products include battery-based equipment, power battery chargers for electric vehicles, etc.

The global lithium battery market demand will continue to grow rapidly, which will continue to drive the demand in all links of the industry chain. According to EVTank data, the total global lithium battery shipments in 2023 are 1,202.6 GWh, and it is expected that the global lithium battery shipments will reach 1,926 GWh in 2025, with a compound growth rate of 26.6% from 2023 to 2025; In 2026, the global lithium battery equipment market will be 210.46 billion yuan, of which the global market size of lithium battery capacitive battery test equipment is expected to reach 28 billion yuan. In the field of energy storage, electrochemical energy storage, as a representative of new energy storage methods, has a particularly broad future development prospect. CNESA predicts that by 2027, the installed capacity of the global electrochemical energy storage industry will reach 1,138.9 GWh, with a compound growth rate of 61% from 2021 to 2027. The upstream parts industry of the electrochemical energy storage industry will also face opportunities for rapid growth. Under the general trend of electrification of transportation, with the gradual increase in the penetration rate of electrification, the power battery charger market for low-speed electric four-wheelers, electric two-wheelers and tricycles is also expected to become an important growth driver for the company's new energy and energy storage business.

(4) Other power supplies

The company's products in other power supply applications are mainly power tool chargers and chargers. With the development of cordless and lithium batteries, power tools have gradually become an emerging downstream application scenario in the power supply industry. According to the "China Power Tool Industry Development White Paper (2023)" jointly released by the research institute EVTank and the Ivi Economic Research Institute, global power tool shipments will be 470 million units in 2022, a year-on-year decline of 19.3%. As the periodical demand fluctuations brought about by the epidemic and overseas economic stimulus policies fade, and considering the increasing trend of cordless power tools and lithium-ion penetration, the market size of lithium battery power tools is expected to continue to grow in the long term. Market research firm QYResearch predicts that the global lithium battery power tools market is expected to grow from USD 12.36 billion in 2022 to USD 21.56 billion in 2029, at a CAGR of 8.06% from 2023 to 2029.

(3) Competitive position of the industry in which the company is located

As a fast-growing switching power supply company, the company is committed to providing customers with reliable, efficient and intelligent switching power supply products. The company adheres to the global production capacity layout and continuously improves the research and development level. With its excellent product quality and rapid response service capabilities, it has been recognized by many well-known customers at home and abroad, and its brand influence has continued to expand.

The company has been deeply involved in the field of switching power supply for many years, and has continuously accumulated technological innovation. With its excellent product quality and technological innovation, the company has a good reputation in the power adapter industry and has become one of the leading enterprises in the industry. The company has established business partnerships with many well-known companies such as LG, HP, Honeywell, Roku, Technicolor, Sagemcom, Google, Walmart, Foxconn, Hikvision, Dahua Technology, etc.

In the field of data center infrastructure, the company's data center power supply products are in a leading position in China in terms of technical level, product quality, and response speed. It has become a supplier to many leading companies including Foxconn, Inspur, Star-Net, Xinhuasan, Huaqin, Lenovo, etc.

In the field of power tools and home appliance chargers, the company's power battery charger products have become a supplier to industry-leading customers, including TTI, LG, etc.

II. Main business of the company during the reporting period

(1) Main business

The company focuses on the field of power supply, mainly engaged in the research and development, production and sales of switching power supply products. As a fast-growing switching power supply company, the company is committed to providing customers with reliable, efficient and intelligent switching power supply products. At present, the company is mainly engaged in the research and development, production and sales of switching power supply products.

The company's main products include power adapters, server power supplies and other power supplies. The company's products are widely used in office electronics, network communications, security monitoring, smart home, new consumer electronic equipment, data centers, power battery equipment, pure electric vehicles, chemical composition equipment and many other fields.

(2) Business model

1. Procurement model

The company adopts a "centralized procurement" model. The raw materials purchased by the company mainly include semiconductors, resistors and capacitors, magnetic materials, wires, housings, etc. The company comprehensively predicts the procurement needs for a period of time in the future based on factors such as existing orders, market expectations and inventory materials, and conducts centralized procurement. It has formulated management systems such as Contract Management Regulations, Supplier Payment Management System, Procurement Control Procedures, Raw Materials, Outsourcing Suppliers Management Control Procedures, and Feed Test and Inspection Control Procedures.

2. Production mode

The company's production model is based on sales and production, that is, production is arranged according to orders. The company's production planning department conducts overall control and management of production, and timely handles related problems in the execution of orders to ensure that the production plan can be successfully completed. According to the production plan, the production department of the company organizes, controls and coordinates various specific activities and resources in the production process to meet the requirements of quality, output, cost control, etc., and complete the production plan. The company mainly produces independently, and has a small amount of outsourcing processing and labor outsourcing.

3. Sales model

The company's sales model is divided into direct sales and trader sales. The company does not have an authorized distribution business model. The company's sales are mainly direct sales, with a small number of traders selling. The company's direct sales refer to direct sales to terminal brands and direct sales to electronic manufacturing service companies; trader sales refer to the company signing a sales contract with a trader, and the trader customer directly places a purchase order with the company when there is a purchase demand, and takes a buyout method to trade with the company.

4. R&D; model

Through years of R&D; accumulation, the company has established a relatively complete R&D; system and series of product R&D; standards. On this basis, it is guided by customer needs and faces different market segments to provide customers with customized products. Through the hierarchical R&D; model of standard series - customized products - regional safety certification, taking into account the efficiency and precision of R & D, we continuously enrich the relevant product categories, and obtain new profit growth points while meeting the individual needs of customers, improving customer satisfaction and stickiness, and improving the company's comprehensive competitiveness. The company's R&D; process mainly includes RFI, project review, EVT, DVT and other R&D; and design stages, as well as PVT and other production testing stages.

III. Analysis of core competitiveness

1. Rich resources and high stickiness of major customers, building brand awareness

The company's business focuses on global layout, actively explores the global market, and participates in international market competition. During the reporting period, the company's overseas sales customers include LG, HP, Walmart, Google, Roku, Honeywell, Technicolor, Sagemcom, TTI, etc.; well-known domestic customers include Inspur, Dahua, Hikvision, Pegatron, Star-Net, Foxconn, BYD, etc.

Well-known customers have high requirements for supplier inspection. The company's performance in quality control, technological innovation, cost control, delivery and after-sales service has been fully recognized by customers. After a long and strict certification and testing process, the company has reached a stable cooperative relationship with well-known customers, and the customer stickiness is high.

With the increase in the concentration of the downstream market, the market gradually tends to have power supply manufacturers with advantages in quality management, production scale and high R&D; capabilities. The company will continue to consolidate its original advantages, improve the level of R&D; technical capabilities, quality management, expand production scale, and enhance internal management.

2. Firmly control the quality control, and the products have obtained multiple certifications from many countries

The company always puts product quality in the first place. The quality of power supply products is related to the stability of electronic equipment and the safety of users. At the same time, most of the company's downstream customers are world-renowned electronic product manufacturers and have strict requirements on power supply quality. Therefore, the company is committed to improving its own quality management system, emphasizing total quality (TQM) quality management thinking, and setting up a quality center specially. Strict quality control measures have been established in R & D, procurement, production, outsourcing, after-sales and other links.

With the excellent quality of its products, the company has been recognized by well-known downstream customers and has established a long-term and stable cooperative relationship with each other. In addition, the company has successively won honorary titles such as the second "Shenzhen Top 100 Quality Enterprises", "Shenzhen Strong Quality City Backbone Enterprise", and "Shenzhen 2017 Quality Career Contribution Award".

Under the long-term adherence to the quality of power products, the company's business covers many countries and regions around the world, and its products have been approved to enter the international market. It has passed product safety and electromagnetic compatibility certification in many countries and regions such as China CCC, Singapore PSB, South Korea KC, Japan PSE, Mexico NOM, South Africa NRCS, U.S. UL, U.S. FCC, Germany GS, EU CE, India BIS, Russia EAC and so on.

3. The R&D; team and system are gradually improved, and the technological innovation strength is continuously enhanced

The company has been deeply involved in the field of power supply for many years, has in-depth research and development capabilities in multiple disciplines, and is good at integrating technologies in multiple fields for comprehensive research and development innovation. The company is equipped with a full-featured, all-round R&D; and product comprehensive laboratory, and product technical parameters can be independently designed, tested and experimented, ensuring the speed of R&D; and quality standards.

The company has R&D; centers in Shenzhen, Hangzhou, Shanghai, the United States and other places, which can cooperate with customers more efficiently and improve the company's overall R&D; service level. Relying on a high-level professional technical research and development team, the company's technological innovation strength has been continuously enhanced. As of December 31, 2023, the company has obtained 11 invention patents, 157 utility model patents, 22 design patents, and 80 software copyrights.

According to the market characteristics and technical characteristics of power products, the company has built multiple R&D; teams to serve customers accurately, and established R&D; strategies from platform-based standard products to precise customization. The R&D; projects are established according to the precise needs of customers. The R&D; department implements dual-axis management of "technical indicators-market returns", the technical solutions are managed by the R&D; leader, and the market returns are managed by the business leader. Under the coordination of the business team, the company's R&D; team is directly responsible to the customer. To achieve a balance between technological innovation and market mechanisms.

In order to better serve customers and enhance the company's brand influence, the company further improved the internal R&D; system and set up project R&D; and pre-research teams. In the process of tracking customer needs, the project R&D; team continuously improves the performance of existing products, enhances customers' cooperation intentions, and timely captures customer project needs and feeds them back to the pre-research team. The pre-research team is responsible for tracking the latest technological trends in the industry, and carrying out forward-looking technical research and technical reserves based on the new needs put forward by customers. It will help the company to analyze and adjust plans in conjunction with upstream and downstream changes in the industry, so that the company can keep leading in R&D; technology, and can apply innovative technologies to practical and effective products, accelerate the project R&D; team to win customers, drive sales growth, and obtain market returns. The two teams cooperate with each other to form a good technology and information cycle and enhance the company's comprehensive strength in research and development.

4. Some honors

Serial number	Honors/Awards	Issuing unit	Award-winning year
1	RoyalFlush Enterprise Number 2022 "Investment Pioneer Award"	RoyalFlush	2023
2	In 2022, Bao'an District Top 100 Industry, Top 100 Value Added, Top 100 Foreign Trade, Top 100 Innovation	Shenzhen Baoan District Bureau of Industry and Information Technology	2023
3	2022 Dongguan High Frequency Switching Power Supply Engineering Technology Research Center	Dongguan Science and Technology Bureau	2023
4	Top 10 Industrial Output Value to Promote Xixiang's Economic Development in 2022	Xixiang Sub-district Work Committee, Bao'an District, Shenzhen	2023
5	ODCC · Excellent Partner in 2023	ODCC	2023
6	The 7th Shenzhen Top 100 Independent Innovation Small and Medium-sized Enterprises	Shenzhen Small and Medium Enterprise Development Promotion Association	2023
7	Outstanding Enterprise for Social Responsibility in 2022	Shenzhen Federation of Industry	2023
8	2022 Guangdong-Hong Kong-Macao Greater Bay Area Innovation List-Innovation Achievement List	Shenzhen Federation of Industry	2023
9	Shenzhen Craftsman Cultivation Demonstration Unit	Shenzhen Federation of Industry	2023
10	The 21st Shenzhen Enterprise Innovation Record in 2022:1. A new generation of server power supply switching power supply; 2. A development high-performance power supply that provides power to the Ethernet POE switch system	Shenzhen Federation of Industry	2023
11	Shenzhen well-known brands (2023-2025)	Shenzhen Federation of Industry	2023
12	2022-2023 China's semiconductor market switching power supply industry leader	2023 World Semiconductor Conference (WSCE 2023)	2023

13	2022-2023 Trusted Brand in China's Switching Power Supply Industry	2023 World Semiconductor Conference (WSCE 2024)	2023
14	The best products of China's high-efficiency intelligent power supply in 2022-2023	2023 World Semiconductor Conference (WSCE 2025)	2023
15	2023 Shenzhen Top 100 Industry Leaders	Shenzhen Industry Leaders Enterprise Development Promotion Association, Shenzhen Economic Daily	2023
16	2023 Guangdong-Hong Kong-Macao Greater Bay Area High-quality Development Benchmarking Enterprise	Guangdong Guangdong-Hong Kong-Macao Greater Bay Area Industry Cooperative Development Association	2023
17	2023 Shenzhen Top 500 Enterprises	Shenzhen Enterprise Confederation, Shenzhen Entrepreneurs Association	2023
18	Top 100 Industries, Top 100 Value-Added, Top 100 Innovations in Bao'an District in 2023List of strong companies	Shenzhen Baoan District Bureau of Industry and Information Technology	2023
19	The 21st Financial Billboard-2023 Outstanding Value Listed Companies	Hexun.com	2023
20	Excellent Practice Cases of Directors and Offices of Listed Companies in 2023	China Association of Listed Companies	2023
21	Excellent Supplier Silver Award	Hangzhou Fluorite Network Co., Ltd	2023
22	Best Quality Performance Award	Tongnuo Electronics Ezhou Co., Ltd	2023
23	OutstandingServiceability Award 2023 (OutstandingServiceability)	Lenovo	2023
24	2022 Excellent Supplier	Shenzhen DJI Technology Co., Ltd	2023

IV. Main business analysis

1. Overview

1. Overview of the overall operation

In 2023, the global economic growth momentum will continue to decline, the geopolitical landscape will accelerate, and core inflationary pressures will still exist; the global supply chain will continue to recover, but the downward pressure on the demand side will continue to appear, and the economic recovery will be weak. The company has always been unwavering, focusing on the switching power supply industry, closely focusing on the established long-term strategic goals, further concentrating resources and energy on the core business, continuously optimizing the main business and product structure, and maintaining a good momentum of steady growth and high-quality development.

In terms of revenue, during the reporting period, the company achieved operating revenue of 2.87 billion yuan, a year-on-year increase of 6.17%. The overall revenue scale continued to grow, mainly due to the continued rapid growth of server power supply business revenue, and the breakthrough increase in product revenue in other new areas. However, in the context of the global macroeconomic environment and weak consumer electronics market demand, the company's power adapters and power tool chargers were affected to a certain extent. In the second half of the year, the company achieved operating income of 1.575 billion yuan, a year-on-year increase of 17.36% and a month-on-month increase of 21.57%. The number of orders in various fields has rebounded significantly, and the operating conditions have been continuously optimized. In the fourth quarter, the operating income reached a record high of 804 million yuan, a year-on-year increase of 10.83%.

In terms of gross profit, the company's gross profit during the reporting period was 566 million yuan, a year-on-year increase of 15.29%; the gross profit margin was 19.72%, a year-on-year increase of 1.56 percentage points. The gross profit in the second half of the year was 315 million yuan, a year-on-year increase of 8.96%; the gross profit margin was 19.98%, a month-on-month increase of 0.58 percentage points. The company has achieved a steady increase in gross profit margin by actively exploring new customers and optimizing product structure, increasing the proportion of high-value products, and actively promoting cost reduction and efficiency enhancement. At the same time, factors such as the relatively high exchange rate of the US dollar and the stabilization of raw material prices have had a positive impact on the company's gross profit margin.

In terms of expenses, during the reporting period, the company's expenses amounted to 462 million yuan, a year-on-year increase of 25.56%; the expense ratio was 16.10%, a year-on-year increase of 2.49 percentage points. The annual sales expense was 71,964,900 yuan, a year-on-year increase of 13.94%; the sales expense ratio was 2.51%, a year-on-year increase of 0.17 percentage points, mainly due to the increase in the company's sales scale. Administrative expenses were 152 million yuan, a year-on-year increase of 11.26%; the administrative expense ratio was 5.29%, a year-on-year increase of 0.24 percentage points, mainly due to the increase in equity-based incentive expenses. R & D expenses were 230 million yuan, a year-on-year increase of 16.32%; R&D; expense ratio was 8.02%, a year-on-year increase of 0.70 percentage points. The company further improved its leading technology level and competitiveness in various switching power supply products, and provided impetus for the long-term stable development of the business. Financial expenses were RMB 7,930,800, a year-on-year increase of 126.76%, mainly due to the significant decrease in exchange gains year-on-year.

In terms of EBITDA, during the reporting period, the company's EBITDA was 363 million yuan, a year-on-year increase of 40.05%, mainly due to the recognition of investment income from the divestiture of subsidiary equity during the reporting period, and the increase in net profit.

In terms of net profit, the net profit achieved during the reporting period was 194 million yuan, a year-on-year increase of 120.30%; after excluding the impact of equity incentive fees, the operating net profit was 234 million yuan, a year-on-year increase of 107.02%. The main reason was the impact of non-operating gains and losses. During the reporting period, the equity of the subsidiary was divested to recognize the investment income.

2. The main business of the company

(1) Power adapter: improve internal power, reduce costs and increase efficiency, and overcome difficulties and develop steadily

The company's power adapter business layout covers 3 watts to 400 watts, with a wide range of applications, including office electronics, network communications, security monitoring, smart home, new consumer electronic equipment and other fields. The company's power adapter business has developed for many years and has now become the company's most mature and stable basic business.

During the reporting period, the global economic development slowed down, and the consumer electronics market demand continued to decline. The operating income of the power adapter business was 1.594 billion yuan, a year-on-year decrease of 9.51%;

During the reporting period, the gross profit of the power adapter business reached 320 million yuan, a year-on-year increase of 13.74%; the gross profit margin was 20.10%, a year-on-year increase of 4.11 percentage points, mainly due to the improvement of the company's product structure, the further improvement of operating efficiency, the increase in the US dollar exchange rate, and the easing of the rising pressure on raw materials.

In 2023, the company will continue to cultivate existing customers in various downstream fields of the power adapter business segment, continuously increase the supply share, optimize the product supply structure, and increase the proportion of high unit price products. At the same time, with the accumulation of technology, brand and experience, the company will continue to break through and expand new customer resources, and actively use its own advantages to expand market share. During the reporting period, office electronic power adapters achieved growth against the trend. Orders for power adapters in new electronic fields such as smart home and drones continued to maintain rapid growth, and shipments increased significantly.

With years of accumulation, the company's power adapter research and development technology has taken the lead in the industry, and has a good brand effect and customer reputation in the market. In the huge market of 100 billion switching power supplies, the company will continue to expand more categories horizontally, cultivate vertically to gain more customer shares, and at the same time continue to improve operating efficiency, take multiple measures to enhance market competitiveness and operational risk resistance, and achieve steady development of the power adapter business.

(2) Server power supply: multi-party layout to consolidate advantages and seize new opportunities for AI industry reform

Server power supply is one of the company's long-term development strategies. The company has continued to invest in research and development for many years, fully understands customer needs, strengthens cooperation and research and development with customers, increases product types, and vigorously reserves technology platforms.

In terms of product types, the company's server power products include general-purpose server power supplies, high-power server power supplies, and network security, communications and other data center power supplies. In terms of product series, the company has core products including 800W-3200W full range of CRPS power supplies, 1300W-4000W high-power air-cooled server power supplies, 1600W-3500W distributed immersed liquid-cooled server power supplies, and 30KW centralized immersed liquid-cooled server power supplies, which are mainly used in edge base station computing servers and artificial intelligence servers in data centers, storage, switches, 5G-micro servers, etc.

During the reporting period, the structure of the domestic server market was differentiated, and the demand for AI servers increased significantly. The company actively expands its new customer base. Relying on market demand and its own technology accumulation, the company has gradually become an important supplier among many high computing power server customers. The product structure has been continuously optimized, and the business operation has maintained a positive development trend.

In 2023, the overall operating income of server power supply was 811 million yuan, a year-on-year increase of 35.91%, accounting for 28.25% of the company's operating income. The proportion of contribution to operating income continued to increase, maintaining a rapid growth trend. Among them, the revenue of high-power server power supply was 123 million yuan, a year-on-year increase of 1097.30%, accounting for 15.11% of the revenue of server power supply business, showing a strong growth trend.

During the reporting period, the gross profit of the server power supply business reached 158 million yuan, a year-on-year increase of 19.95%; the gross profit margin was 19.55%, a year-on-year decrease of 2.59 percentage points, mainly due to the downturn in the general server industry, which led to a decline in the gross profit rate of some low-end products. However, the proportion of shipments of high-value server power products further increased, and the gross profit rate was relatively high. The product structure continued to improve, and the overall profitability remained stable.

The company develops and customizes different products according to different customer needs, and formulates corresponding competitive strategies. The company actively seizes opportunities for domestic substitution, continues to maintain its cost leadership, and continues to tap the needs of existing and new customers. In the field of general-purpose server power supply, the company captures the trend of server power improvement. The power supply of mainstream servers has been increased to 800W and 1300W. The incremental opportunities brought by the gradual increase in the power of artificial intelligence servers and edge computing servers have continued to increase customer share; At the same time, it actively follows up domestic alternatives and develops corresponding server power products. In the fields of high-power server power supplies and immersed liquid-cooled power supplies, the company continues to invest in research and development and has passed the certification of core customers. The company's high-power server power supply can be applied to large-model AI servers, and its R&D; technology and products have been at the leading domestic level. During the reporting period, the company's customers in the data center field include Foxconn, Inspur, Star-Net, Xinhuanan, Huaqin, Dahua, Lenovo, Hikvision, etc., all of which are the company's server power benchmark customers. At the same time, the company is actively expanding overseas markets, establishing sales teams in Taiwan, China and the United States, and promoting the introduction of overseas customers, including leading cloud vendors in North America.

(3) Other power sources: expand the layout in new areas and build multiple growth poles

The company adheres to the power supply industry and continuously develops new application areas around power supply technology, including lithium battery power tools and home appliance chargers, chargers, pure electric vehicle chargers, and power supplies for chemical capacitors.

During the reporting period, the company's other power supply business revenue was 436 million yuan, a year-on-year increase of 31.83%. Mainly because the company's orders for power battery chargers in the fields of portable energy storage equipment, electric two-wheelers and tricycles have begun to increase, the revenue scale has achieved rapid growth, and its contribution to business growth has been obvious. However, due to the comprehensive factors such as the macroeconomic downturn, the global market demand for power tools has not improved, which continues to interfere with the company's power tool business.

During the reporting period, the gross profit of other power supply business reached RMB 78,481,500, a year-on-year increase of 17.02%; the gross profit margin was 18.00%, a year-on-year decrease of 2.27 percentage points, mainly due to the low gross profit margin of some products in the charging and replacement field at the initial stage of introduction.

In the field of lithium battery power tools and home appliance chargers, in addition to maintaining the original supply ratio among customers, the company has continuously expanded new projects and new markets for existing customers through project experience, product quality, production capacity coordination, and delivery capabilities, and achieved stable business development. The new products invested by the company have achieved initial results in customer development. The business of power battery chargers and chemical composition equipment in the fields of portable energy storage equipment, electric two-wheelers and tricycles is progressing well.

In the future, the company will actively adjust its business strategy, reduce costs and increase efficiency, and continuously optimize its product structure, and increase the development of new customers and projects in the field of power tools and household appliances. At the same time, we make full use of technology accumulation, actively carry out product extension, and continuously expand new application fields and groups.

2. Revenue and Cost

(1) Composition of operating income

Overall operating income

Unit:
Yuan

	2023		2022		Year-on-year increase or decrease
	Amount	Proportion of operating income	Amount	Proportion of operating income	
Total operating income	2,869,998,960.72	100%	2,703,124,681.08	100%	6.17%
By industry					
Computer, communications and other electronic equipment manufacturing	2,840,388,920.89	98.97%	2,688,322,267.95	99.45%	5.66%
Other business	29,610,039.83	1.03%	14,802,413.13	0.55%	100.04%
Sub-product					
Power adapter	1,593,544,451.13	55.52%	1,760,971,665.24	65.15%	-9.51%
Server power	810,718,021.73	28.25%	596,529,041.40	22.07%	35.91%
Other power	436,126,448.03	15.20%	330,821,561.31	12.23%	31.83%
Other business	29,610,039.83	1.03%	14,802,413.13	0.55%	100.04%
By regions					
Domestic sales	1,527,012,518.74	53.21%	1,275,496,846.27	47.19%	19.72%
Overseas sales	1,342,986,441.98	46.79%	1,427,627,834.81	52.81%	-5.93%
Sub-sales model					
Direct selling	2,869,998,960.72	100.00%	2,703,124,681.08	100.00%	6.17%

(2) The situation of industries, products, regions and sales models that account for more than 10% of the company's operating income or operating profit

Applicable Not applicable

Unit:
Yuan

	Operating income	Operating cost	Gross margin	Increase or decrease in operating income over the same period of the previous year	Operating costs increased or decreased compared to the same period last year	Gross profit margin increased or decreased compared with the same period last year
By industry						
Computer, communications and other electronic equipment manufacturing	2,840,388,920.89	2,283,079,092.21	19.62%	5.66%	3.42%	1.73%
Sub-product						
Power adapter	1,593,544,451.13	1,273,173,302.19	20.10%	-9.51%	-13.93%	4.11%
Server power	810,718,021.73	652,260,821.87	19.55%	35.91%	40.44%	-2.59%
Other power	436,126,448.03	357,644,968.15	18.00%	31.83%	35.60%	-2.27%
By regions						
Domestic sales	1,527,012,518.74	1,308,393,341.96	14.32%	19.72%	22.30%	-1.81%
Overseas sales	1,342,986,441.98	995,743,692.	25.86%	-5.93%	-12.84%	5.89%56
Sub-sales model						
Direct selling	2,869,998,960.72	2,304,137,034.52	19.72%	6.17%	4.15%	1.56%

If the statistical caliber of the company's main business data is adjusted during the reporting period, the company's main business data adjusted according to the caliber at the end of the reporting period in the most recent year

■ Applicable Not Applicable

(3) Whether the company's physical sales income is greater than the labor income

Yes ■ No

Industry classification	Projects	Unit	2023	2022	Year-on-year increase or decrease
Computer, communications and other electronic equipment manufacturing	Sales volume		103,631,989.00	103,160,518.00	0.46%
	Production volume		103,834,895.00	101,148,937.00	2.66%
	Inventory		7,288,890.00	6,941,699.00	5.00%

Explanation of the reasons why the relevant data has changed by more than 30% year-on-year

■ Applicable Not Applicable

(4) The performance of major sales contracts and major procurement contracts signed by the company as of the reporting period

■ Applicable Not Applicable

(5) Composition of operating costs

Industry classification

Unit:
Yuan

Industry classification	Projects	2023		2022		Year-on-year increase or decrease
		Amount	Proportion of operating cost	Amount	Proportion of operating cost	
Computer, communications and other electronic equipment manufacturing	Direct material	1,700,693,606.17	73.81%	1,632,617,516.10	73.80%	4.17%
Computer, communications and other electronic equipment manufacturing	Direct labor	176,183,662.69	7.65%	149,158,384.73	6.74%	18.12%
Computer, communications and other electronic equipment manufacturing	Manufacturing expenses	313,685,807.96	13.61%	301,462,826.40	13.62%	4.05%
Computer, communications and other electronic equipment manufacturing	other	92,516,015.38	4.02%	124,251,852.15	5.62%	-25.54%
Other business expenses	Operating cost	21,057,942.31	0.91%	4,809,485.05	0.22%	337.84%
Total:		2,304,137,034.52	100.00%	2,212,300,064.43	100.00%	4.15%

Description

No

(6) Whether the scope of consolidation has changed during the reporting period

Yes No

On October 17, 2023, the company signed an equity transfer agreement with Shanghai Anshibo. The company will increase the capital of Shanghai Anshibo through its 100.00% stake in Suzhou Bodian at a price of 100,000,000.00 yuan. After the transfer, the company will indirectly hold 100.00% of Suzhou Bodian through Shanghai Anshibo. The company transferred 60.00% equity of Shanghai Anshibo to Wang Yuetian and Shang Yunsi in November 2023, and lost control of Shanghai Anshibo and Suzhou Bodian on November 30, 2023.

On November 10, 2023, the company established Shanghai Honor Electron Electronic Technology Co., Ltd., with a registered capital of RMB 10 million and a paid-in capital of RMB 1.0 million. The registered address is Floor 2, Building 2, No. 715 Yingshun Road, Qingpu District, Shanghai. Shanghai Honor Electron Electronic Technology Co., Ltd. has been included in the scope of consolidation since its establishment.

In line with the company's overall development strategy, Hangzhou Honor Electron, a wholly-owned subsidiary of the company, will be cancelled on December 7, 2023, and Hangzhou Honor Electron will no longer be included in the scope of consolidation from the date of cancellation.

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

■ Applicable Not Applicable

(8) Major sales customers and major suppliers

The company's main sales customers

The total sales amount of the top five customers (yuan)	1,056,765,324.76
The proportion of the total sales amount of the top five customers to the total annual sales	36.81%
The proportion of related party sales in the top five customer sales to the total annual sales	0.00%

The company's top 5 customer profiles

Serial number	Customer name	Sales (yuan)	% of total annual sales
1	Client 1	313,485,281.13	10.92%
2	Client 2	230,126,003.52	8.02%
3	Client 3	182,596,023.57	6.36%
4	Client 4	175,787,284.67	6.12%
5	Client 5	154,770,731.87	5.39%
Total	--	1,056,765,324.76	36.81%

Other descriptions of major customers

■ Applicable Not Applicable

The company's main suppliers

The total purchase amount of the top five suppliers (yuan)	200,974,522.27
The proportion of the total purchase amount of the top five suppliers to the total annual purchase amount	10.76%
The proportion of related party purchases in the total annual purchases of the top five suppliers	0.00%

The company's top 5 suppliers

Serial number	Supplier name	Purchase amount (yuan)	Percentage of total annual purchases
1	Supplier 1	55,033,347.08	2.95%
2	Supplier 2	44,663,279.68	2.39%
3	Supplier 3	38,624,759.86	2.07%
4	Supplier 4	32,355,883.76	1.73%
5	Supplier 5	30,297,251.89	1.62%
Total	--	200,974,522.27	10.76%

Other descriptions of major suppliers

■ Applicable Not Applicable

3. Fees

Unit:
Yuan

	2023	2022	Year-on-year increase or decrease	Description of major changes
Selling expense	71,964,904.20	63,159,779.73	13.94%	No major changes.
Administration expense	151,905,711.61	136,535,288.52	11.26%	No major changes.
Finance expense	7,930,751.18	-29,633,702.03	126.76%	Mainly due to the decrease in foreign exchange gains during the current period compared with the same period of the previous year.
R&D; expenses	230,188,399.52	197,887,249.04	16.32%	No major changes.

4. R&D; investment

Applicable ■ Not applicable

Main R&D; project name	Project purpose	Project progress	Goals to be achieved	Expected impact on the company's future development
A New Type of GaN MOS Sealed PD Power Supply	To meet the customized power supply needs of consumer electronics customers	Finished	Using quasi-resonant gallium nitride MOS combined package chip technology, by controlling the time and frequency of the combined packaged gallium nitride switch tube switch, a stable output voltage is maintained. The project is a wide voltage input (90-264 Vac), and its PD scheme adopts: quasi-resonant-GANFLYBACK, synchronous rectifier SR, PD3.0 protocol output voltage, and the maximum power of 65W meets the charging needs of most mobile phones, tablets and notebooks in the current market	Assist the company to expand customers and markets in the power adapter field

A power supply for WIFI 7 network equipment	To meet the customized power supply needs of consumer electronics customers	In progress	Design a green miniaturized power supply suitable for WiFi 7 products, adopt advanced power conversion technology, have high efficiency and low energy consumption, can effectively reduce energy waste, and have multiple safety protection mechanisms such as overload protection and overtemperature protection	Assist the company to expand customers and markets in the power adapter field
A high-power TV LED backlight control adapter power supply	To meet the customized power supply needs of consumer electronics customers	In progress	Design a high-performance, low-energy large-screen TV power supply, use advanced power electronic technology to improve the conversion efficiency and stability of the power supply, and introduce intelligent control technology Remote monitoring and fault diagnosis of current power supply	Assist the company to expand customers and markets in the power adapter field
A PoE power supply with 8 KV lightning performance for system air and heat dissipation	To meet the customized power supply requirements of data center customers	Finished	Design a high-performance power module suitable for 5G equipment, data center, storage center and other fields, meet the characteristics of large temperature difference between day and night, harsh environment, and ultra-high outdoor lightning protection level, and do 8KV lightning protection design	Assist the company to expand customers and markets in the data center power supply field
A national production digital server power supply	To meet the customized power supply requirements of data center customers	In progress	Design a server power supply with localized hardware for the whole product, which has the characteristics of high efficiency, high reliability, intelligence, support for PMBus 1.2 protocol, online upgrade and fault black box inquiry, etc	Assist the company to expand customers and markets in the data center power supply field

An ultra-high power density server power supply	To meet the customized power supply requirements of data center customers	In progress	Customized research and development of a high-power 3200W GPU server power supply, under the standard CRPS 185mm length size, the power density of the power supply reaches 100W/inch ³ , which can fully meet the ultra-high dynamic requirements of AI servers and meet the requirements of titanium efficiency and energy efficiency	Assist the company to expand customers and markets in the data center power supply field
An air-cooled centralized power supply server power supply	To meet the customized power supply requirements of data center customers	In progress	Design a server power supply for centralized power supply, introduce advanced ATS centralized power supply concept, the efficiency of the power supply can meet the requirements of ultra-titanium gold, the peak efficiency of components with ATS exceeds 97%, adopt advanced all-digital control technology, combined with patented topology, with high efficiency, high density, digitalization, high reliability and other characteristics, support hot swap	Assist the company to expand customers and markets in the data center power supply field
A high power 5.5 kWGPU server power supply	To meet the customized power supply requirements of data center customers	In progress	Customized research and development of a high-power 5500W GPU server power supply with a peak efficiency of 97% (super titanium), 5500W output, server power supply that meets GPU dynamic load, and adopts intelligent energy monitoring and management and digital control technology	Assist the company to expand customers and markets in the data center power supply field

<p>A high-efficiency and low-cost 1600W server power supply</p>	<p>To meet the customized power supply requirements of data center customers</p>	<p>In progress</p>	<p>Customized research and development of a high-efficiency and low-cost 1600W server power supply, based on the standard size of 73.5 * 39 * 185mm, with a peak efficiency of 96% (titanium gold), and adopts intelligent energy monitoring and management and digital control technology. At the same time in the standard On the basis of CRPS development, it is compatible with different input and output requirements to meet the application conditions of different customers</p>	<p>Assist the company to expand customers and markets in the data center power supply field</p>
<p>A custom-sized GPU server power supply</p>	<p>To meet the customized power supply requirements of data center customers</p>	<p>In progress</p>	<p>Customized research and development of a high-power 3300W GPU server power supply, which can fully meet the ultra-high dynamic requirements of AI servers, meet the requirements of titanium efficiency and energy efficiency, and adopt intelligent energy monitoring and management and digital control technology</p>	<p>Assist the company to expand customers and markets in the data center power supply field</p>
<p>An immersion liquid-cooled server power supply</p>	<p>To meet the customized power supply requirements of data center customers</p>	<p>Finished</p>	<p>Customized research and development of a submerged liquid-cooled 1600W/12V server power supply that meets the data center, which can be compatible with the heat dissipation liquid commonly used in the data center for a long time, meets the efficiency and energy efficiency requirements of titanium gold, supports AC or HVDC input, and meets the characteristic requirements such as PF value and ithd</p>	<p>Assist the company to expand customers and markets in the data center power supply field</p>

<p>An immersed liquid-cooled centralized power supply system</p>	<p>To meet the customized power supply requirements of data center customers</p>	<p>Finished</p>	<p>Customized research and development of an immersed liquid-cooled centralized power supply system, developed a power supply and power shelf with a peak efficiency of 97% (super titanium gold), compatible with the advantages of immersed liquid cooling, and launched the concept of a centralized power supply system, which solved the pain points of distributed power supply architecture</p>	<p>Assist the company to expand customers and markets in the data center power supply field</p>
<p>A lithium battery power tool charger</p>	<p>To meet the customized power supply requirements of power tools</p>	<p>In progress</p>	<p>Design a smart power tool charger that can monitor and control the lithium battery, achieve fast charging and effectively protect the lithium battery, and achieve smaller size and more stable performance</p>	<p>Assist the company to expand customers and markets in other power supply fields</p>
<p>A new national standard electric bicycle charger</p>	<p>To meet the customized power supply needs of electric bicycle customers</p>	<p>Finished</p>	<p>Design a smart charger, using quasi-resonant + GaN technology, with a maximum efficiency of 91.55%, meeting DOEVI energy efficiency requirements, the product can work at ambient temperature (-25-40 degrees), smaller volume, longer product life, input voltage of 220 Vac, can provide 108 W continuous output power</p>	<p>Assist the company to expand customers and markets in other power supply fields</p>

A vehicle power supply design that meets the natural heat dissipation of ultra-high temperature work	To meet the customized power supply needs of electric motorcycle customers	In progress	Design a power distribution conversion power module applied to electric motorcycles, using active box position conversion technology, high PWM frequency control technology, and innovative magnetic integration technology to make the entire power supply reach High power density, small size, high reliability, wide operating temperature range, etc	Assist the company to expand customers and markets in other power supply fields
A high-efficiency high-voltage DC bidirectional battery into a power supply	Cooperate with customized power supply requirements of chemical composition equipment	In progress	Develop a high-efficiency and high-power density bidirectional forming power supply, using high-voltage DC architecture to improve the performance and efficiency of bidirectional battery forming power supply, and realize intelligent monitoring and management of power supply at the same time. The power is 4 kW, the power density is 106 W/in 3, and the peak efficiency is 97.5%	Assist the company to expand customers and markets in other power supply fields

Company R&D; personnel

	2023	2022	Change ratio
Number of R&D; personnel (person)	575	596	-3.52%
The proportion of R&D; personnel	13.81%	13.59%	0.22%
R & D personnel education			
Undergraduate	152	166	-8.43%
Master	26	47	-44.68%
Undergraduate and below	397	383	3.66%
Age composition of R&D; personnel			
Under 30	212	234	-9.40%
30-40 years old	251	262	-4.20%
Over 40 years old	112	100	12.00%

The company's R&D; investment in the past three years and its proportion in operating income

	2023	2022	2021
R & D investment amount (yuan)	230,188,399.52	197,887,249.04	131,694,054.53

R & D investment as a percentage of operating income	8.02%	7.32%	5.12%
Amount of capitalized R&D; expenditure (yuan)	0.00	0.00	0.00
Capitalized R&D; expenditure as a percentage of R&D; investment	0.00%	0.00%	0.00%
The proportion of capitalized R&D; expenditure in the current net profit	0.00%	0.00%	0.00%

The reasons and impacts of major changes in the composition of the company's R&D; personnel

■ Applicable Not Applicable

Reasons for the significant change in the proportion of total R&D; investment in operating income compared with the previous year

■ Applicable Not Applicable

Reasons for the substantial change in the capitalization rate of R&D; investment and its rationality

■ Applicable Not Applicable

5. Cash flow

Projects	2023	2022	Unit:
			Year-on-year increase or decrease
Subtotal of cash inflow from operating activities	2,581,319,711.92	2,565,261,114.20	0.63%
Subtotal of cash outflows from operating activities	2,188,944,929.62	2,427,928,317.16	-9.84%
Net cash flow from operating activities	392,374,782.30	137,332,797.04	185.71%
Subtotal of cash inflows from investing activities	536,267,480.41	626,638,634.72	-14.42%
Subtotal of cash outflows from investing activities	706,658,713.19	1,113,883,953.11	-36.56%
Net cash flows from investing activities	-170,391,232.78	-487,245,318.39	65.03%
Subtotal of cash inflows from financing activities	225,000,000.00	662,610,009.75	-66.04%
Subtotal of cash outflows from financing activities	358,766,423.71	568,273,325.11	-36.87%
Net cash flow from financing activities	-133,766,423.71	94,336,684.64	-241.80%
Cash and cash equivalents	89,870,014.67	-235,268,277.45	138.20%

Description of the main influencing factors for the significant year-on-year changes in relevant data

Applicable Not applicable

1. The net cash flow from operating activities increased by 185.71% compared with the same period of the previous year, which was mainly due to the decrease in the amount paid for purchasing goods in the current period.
2. The net cash flow from investing activities increased by 65.03% compared with the same period of the previous year, which was mainly due to the decrease in the amount paid for the purchase of fixed assets in the current period.
3. The net cash flow from financing activities decreased by 241.80% compared with the same period of the previous year, mainly due to the decrease of bank borrowings in the current period.

Explanation of the reasons for the significant difference between the net cash flow generated by the company's operating activities during the reporting period and the net profit of the current year

Applicable Not applicable

During the reporting period, the company's net cash flow from operating activities was 392,374,800 yuan, net profit was 194,091,800 yuan, and the difference was 198,283,300 yuan. The reasons for the differences are as follows: Section X, VII, 56. Supplementary information on the cash flow statement.

V. Non-main business

Applicable Not applicable

Unit: Yuan

	Amount	% of total profit	Reasons for formation	Is it sustainable
Investment income	134,029,742.82	63.55%	Mainly the investment income recognized by the transfer of the equity of the subsidiary.	No
Asset impairment	-15,709,287.10	-7.45%	This is due to the increase in the provision for falling prices of inventories in the current period.	No
Non-operating income	926,083.76	0.44%	Mainly due to deduction for breach of contract.	No
Non-operating expenses	1,289,490.48	0.61%	Mainly due to the loss of non-current assets.	No
Other income	18,928,144.74	8.97%	Mainly government subsidy income.	No
Credit impairment loss	-12,409,506.50	-5.88%	It is due to the provision for bad debts of accounts receivable.	No

VI. Analysis of Assets and Liabilities

1. Significant changes in asset composition

Unit: Yuan

	End of 2023		Early 2023		Proportion increase or decrease	Description of major changes
	Amount	% of total assets	Amount	% of total assets		
Monetary fund	669,082,320.25	17.84%	517,773,386.98	15.46%	2.38%	No major changes.

Accounts Receivable	890,787,486.41	23.76%	816,049,257.96	24.37%	-0.61%	No major changes.
Inventory	336,461,913.00	8.97%	402,689,789.83	12.03%	-3.06%	No major changes.
Investment real estate	120,727,136.94	3.22%			3.22%	This is due to the newly added external rental buildings in this period.
Long-term equity investment	95,121,442.43	2.54%	858,469.31	0.03%	2.51%	Mainly due to equity transfer.
Fixed assets	1,013,803,559.64	27.04%	1,097,803,234.25	32.79%	-5.75%	No major changes.
Construction in progress	133,048,776.54	3.55%	138,969,427.72	4.15%	-0.60%	No major changes.
Right-of-use asset	40,521,407.26	1.08%	53,942,722.05	1.61%	-0.53%	No major changes.
Short-term loan	115,057,750.00	3.07%	200,546,763.89	5.99%	-2.92%	Mainly due to the repayment of bank loans in the current period.
Contract liabilities	3,002,110.54	0.08%	1,186,317.12	0.04%	0.04%	Mainly due to the increase in advance receipts received in the current period.
Long-term loan	319,550,000.10	8.52%	261,990,000.06	7.82%	0.70%	No major changes.
Lease liabilities	26,432,950.93	0.70%	33,035,866.33	0.99%	-0.29%	No major changes.
Trading financial assets			70,117,200.00	2.09%	-2.09%	It is due to the expiration of all wealth management products purchased at the end of the period.
Notes receivable	162,177,531.62	4.33%	58,257,166.47	1.74%	2.59%	This was due to the increase in bills receivable received during the current period.
Other receivables	73,876,951.61	1.97%	19,154,389.88	0.57%	1.40%	Mainly due to the increase in equity transfer payments.
Long-term deferred expenses	55,978,141.31	1.49%	26,460,050.19	0.79%	0.70%	Mainly due to the increase in dormitory and factory decoration in this period.

Other non-current assets	23,026,424.99	0.61%	1,726,164.92	0.05%	0.56%	Mainly due to the increase in prepaid engineering and equipment payments during the current period.
Notes payable	468,760,151.92	12.50%	291,492,369.24	8.71%	3.79%	Mainly due to the increase in bank acceptance bills paid to suppliers in the current period.
Taxes payable	12,190,591.69	0.33%	18,965,233.49	0.57%	-0.24%	Mainly due to the decrease in the balance of corporate income tax payable in the current period.
Other payables	23,434,022.39	0.62%	42,520,730.15	1.27%	-0.65%	Mainly due to the repurchase of restricted stock in the current period.
Non-current liabilities due within one year	45,119,278.31	1.20%	97,582,589.98	2.91%	-1.71%	Mainly due within one year of repayment of long-term loans in the current period Due to principal.
Other current liabilities	69,522,971.58	1.85%	33,942,793.74	1.01%	0.84%	Mainly due to the decrease in the number of bills that have been endorsed and transferred but not derecognized at the end of the period.
Deferred income	8,835,651.83	0.24%	6,122,057.05	0.18%	0.06%	Mainly due to the increase in government subsidies related to assets in the current period.

Overseas assets account for a relatively high proportion

■ Applicable Not Applicable

2. Assets and liabilities measured at fair value

Applicable ■ Not applicable

Unit: Yuan

Projects	Beginning of the period	Gains and losses from changes in fair value for the current period	Changes in cumulative fair value included in equity	Impairment accrued in the current period	Purchase amount in the current period	Amount sold in the current period	Other changes	Ending number
Financial assets								
1. Transactional financial assets (excluding derivative financial assets)	70,117,200.00	2,547,660.33			397,000,000.00	469,664,860.33		0.00
Subtotal of financial assets	70,117,200.00	2,547,660.33			397,000,000.00	469,664,860.33		0.00
Receivables Financing	23,656,994.70						-6,023,369.56	17,633,625.14
Total of the above	93,774,194.70	2,547,660.33			397,000,000.00	469,664,860.33	-6,023,369.56	17,633,625.14
Financial liabilities	0.00							0.00

Other changes

It is the increase or decrease in the financing of accounts receivable.

Whether there was any significant change in the measurement attributes of the company's main assets during the reporting period

■ whether

3. Restricted asset rights as of the end of the reporting period

Projects	Book value at the end of the period (yuan)	Restricted reason
Monetary fund	141,203,058.71	Apply to the bank for the deposit for the issuance of bank acceptance bills, unexpired time deposits, and funds frozen by the people's court in contract sales disputes
Fixed assets	663,737,809.91	Apply for a loan from a bank to mortgage fixed assets
Notes receivable	74,944,505.75	Apply to the bank for pledged bills receivable to issue a bank acceptance bill
Total	879,885,374.37	

VII. Analysis of investment status

1. Overall situation

Applicable Not applicable

Investment in the reporting period (yuan)	Investment in the same period last year (yuan)	Range of change
706,658,713.19	1,113,883,953.11	-36.56%

2. Significant equity investments obtained during the reporting period

Applicable Not applicable

Unit:
Yuan

Invested company name	Main business	Investment method	Investment amount	Shareholding ratio	Source of funds	Partner	Investment period	Product type	Progress as of the balance sheet date	Projected earnings	Investment profit and loss for the current period	Whether involved in the lawsuit	Disclosure date (if any)	Disclosure Index (if any)
Hangzhou Yundian Technology Energy Co., Ltd	Mainly engaged in the research and development of various power products and customer service	Capital increase	24,000,000.00	80.00%	Own funds	Wang Yuetian	Long	Equity	As of the end of the reporting period, the capital increase has been completed and the actual payment of 14.00 million yuan has been completed	0.00	-39,892,157.07	Yes	August 24, 2023	For details, please refer to the "Announcement on Capital Increase to Holding Subsidiaries and Related Transactions" disclosed by the company on www.cninfo.com.cn
Total	--	--	24,000,000.00	--	--	--	--	--	--	0.00	-39,892,157.07	--	--	--

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

■ Applicable Not Applicable

4. Financial asset investment

(1) Securities investment

■ Applicable Not Applicable

There was no securities investment in the company during the reporting period.

(2) Derivatives investment

Applicable ■ Not applicable

1) Derivative investments for hedging purposes during the reporting period

Applicable ■ Not applicable

Unit: ten thousand yuan

Derivatives investment type	Initial investment amount	Amount at the beginning of the period	Gains and losses from changes in fair value for the current period	Changes in cumulative fair value included in equity	Amount purchased during the reporting period	Amount sold during the reporting period	Amount at the end of the period	The proportion of the investment amount at the end of the period to the company's net assets at the end of the reporting period
Enhanced Spot Settlement	0	0	0	0	8,780.92	8,780.92	0	0.00%
Total	0	0	0	0	8,780.92	8,780.92	0	0.00%

<p>The accounting policies and specific principles of accounting for hedging business during the reporting period, and an explanation of whether there have been significant changes compared with the previous reporting period</p>	<p>The accounting policies and specific principles of accounting for hedging business during the reporting period, as well as no significant changes compared with the previous reporting period</p>
<p>Explanation of actual profit and loss during the reporting period</p>	<p>During the reporting period, the company's investment income from foreign exchange derivatives was RMB 487,200.</p>
<p>Description of hedging effect</p>	<p>In view of the influence of multiple factors such as frequent fluctuations in the international economic and financial environment and increased uncertainty in the fluctuation of the RMB exchange rate in recent years, in order to prevent the risk of exchange rate and interest rate fluctuations and reduce the impact of market fluctuations on the company's operations and profits and losses, the company and its subsidiaries plan to carry out foreign exchange hedging business. The company will make full use of foreign exchange hedging tools to reduce or avoid exchange rate risks arising from exchange rate fluctuations, reduce exchange losses, avoid risks, and lock in costs, which is conducive to the development of main business. The relevant hedging business conducted by the company during the reporting period achieved the expected results.</p>
<p>Sources of Funds for Derivatives Investment</p>	<p>Own funds</p>

<p>Risk analysis of derivative positions during the reporting period and description of control measures (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)</p>	<p>I. Risk analysis:</p>
	<p>The company's foreign exchange hedging business follows the principle of prudence and does not conduct foreign exchange transactions for speculative purposes. All foreign exchange hedging businesses are based on normal production and operation, relying on specific business operations, and aiming at avoiding and preventing exchange rate risks. However, there are certain risks in foreign exchange hedging business, including: 1. Market risk: In the foreign exchange hedging business carried out by the company and its subsidiaries, there is a market risk of losses due to changes in the price of foreign exchange hedging products due to market price fluctuations such as the underlying exchange rate and interest rate. 2. Liquidity risk: Since the foreign exchange hedging business is carried out through financial institutions, there is a risk that the bank will have to pay fees due to the lack of liquidity and the loss of liquidation and liquidation. 3. Credit risk: The counterparties of the company's foreign exchange hedging business are financial institutions with good credit and have established business dealings with the company, and the overall credit risk is controllable. 4. Operational risk: In the specific business operation, if the operator fails to report and approve according to the prescribed procedures, or fails to accurately, timely and completely record the foreign exchange hedging business information, it may lead to loss or loss of trading opportunities. 5. Legal risks: If traders fail to fully understand the terms of the transaction contract and product information, they will face legal risks and transaction losses.</p>
	<p>II. Control measures:</p>
<p>1. The company has formulated the "Foreign Exchange Hedging Business Management System", which clearly stipulates the operation regulations, approval authority and information disclosure, management and internal operation procedures, information confidentiality measures, internal risk control procedures and file management of foreign exchange hedging business. 2. In order to avoid the risk of large fluctuations in exchange rates, the company will strengthen the research and analysis of exchange rates, pay attention to changes in the international market environment in real time, adjust business strategies in a timely manner, and avoid exchange losses to the greatest extent. 3. In order to avoid internal control risks, the company's financial department is responsible for the unified management of the company's foreign exchange hedging business. At the same time, the company allocates professionals to carry out foreign exchange hedging product transaction management, financial management and risk control construction. All foreign exchange transactions are based on normal production and operation and rely on specific business operations. Speculation and arbitrage transactions are not allowed, and business operations are carried out in strict accordance with the provisions of the Foreign Exchange Hedging Business Management System. Effectively guarantee the implementation of the system. 4. In order to control the risk of transaction default, the company only conducts foreign exchange hedging business with large banks and other financial institutions with legal qualifications. At the same time, the company's internal audit department conducts monthly supervision and inspection of foreign exchange hedging business, and reviews the actual operation, capital use and profit and loss of foreign exchange hedging business on a quarterly basis. 5. The company's financial department will continue to track changes in the open market price or fair value of foreign exchange derivatives, timely assess changes in risk exposure of foreign exchange hedging transactions, report abnormal situations to management in a timely manner, prompt risks and implement emergency measures.</p>	

<p>In the case of changes in the market price or the fair value of the product during the reporting period of the invested derivatives, the analysis of the fair value of the derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters</p>	<p>Not applicable</p>
<p>Litigation-related circumstances (if applicable)</p>	<p>No</p>
<p>Derivatives Investment Approval Board Announcement Disclosure Date (if any)</p>	<p>April 07, 2023</p>
<p>Special opinions of independent directors on the company's derivative investment and risk control</p>	<p>The company and its subsidiaries carry out foreign exchange hedging business with banks and other financial institutions, which can effectively avoid foreign exchange market risks, prevent the adverse impact of large fluctuations in exchange rates on the company's production and operation, and ensure the relative stability of operating results. The company has established a sound organizational structure, business operation process, approval process and "Foreign Exchange Hedging Business Management System" for the conduct of foreign exchange hedging business, and carried out risk control through measures such as authorization and post containment. The relevant approval procedures for carrying out foreign exchange hedging business are in compliance with relevant national laws, regulations and the relevant provisions of the Articles of Association, and there is no situation that harms the interests of the company and all shareholders, especially the majority of small and medium shareholders. The independent directors of the company agreed that the company and its subsidiaries should carry out foreign exchange hedging business.</p>

2) Derivatives investment for speculative purposes during the reporting period

■ Applicable Not Applicable

During the reporting period, the company did not invest in derivatives for speculative purposes.

5. Use of raised funds

Applicable ■ Not applicable

(1) Overall use of raised funds

Applicable ■ Not applicable

Unit: ten thousand yuan

Year of recruitment	Recruitment method	Total funds raised	Net proceeds raised	The total amount of funds raised in the current period	The total amount of funds raised has been used cumulatively	The total amount of funds raised during the reporting period	The total amount of funds raised for cumulative change of purpose	The proportion of the total amount of funds raised for the cumulative change of purpose	The total amount of funds raised has not been used	The purpose and destination of the raised funds have not been used	Amount of funds raised after being idle for more than two years
2020	Initial public offering	93,129.3	84,908.98	7,172.84	76,393.58	25,000	25,000	26.84%	11,061.89	Deposited in the company's special account for raised funds	0
Total	--	93,129.3	84,908.98	7,172.84	76,393.58	25,000	25,000	26.84%	11,061.89	--	0
Description of the overall use of raised funds											
(1) The actual amount of funds raised and the time when the funds arrive in the account											
Approved by the China Securities Regulatory Commission's "Approval for the Registration of the Initial Public Offering of Shenzhen Honor Electronic Co., Ltd." (Zheng Jian Li [2020] No. 1600), the company's initial public offering of 25.30 million RMB ordinary shares (A shares) with a par value of 1.00 yuan per share, the issue price is 36.81 yuan per share, and the total amount of funds raised from the offering is 931,293,000.00 yuan. After deducting the issuance expenses (excluding VAT) of RMB 82,203,175.63, the actual net proceeds raised were RMB 849,089,824.37. The raised funds have been transferred to the company's designated account on August 17, 2020. Tianzhi International Accounting Firm (special general partnership) verified the availability of raised funds and issued "Tian Vocational Zi [2020] No. 34586" and "Shenzhen Honor Electronic Co., Ltd. Capital Verification Report".											
(2) The amount used in the current year and the balance at the end of the year											
In 2020, the raised funds have received 849,089,824.37 yuan. As of December 31, 2023, the accumulated investment is 763,935,766.38 yuan, and the balance of the special account for raised funds is 110,618,901.00 yuan, of which: the net amount of interest income from raised funds, wealth management income and handling fees is 25,464,843.01 yuan.											

(2) Projects committed to raising funds

Applicable ■ Not applicable

Unit: ten thousand yuan

Commitment to investment projects and over-raised funds	Whether the item has been changed (including some changes)	Total committed investment of raised funds	Adjusted total investment (1)	Amount invested in the reporting period	Cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	The date when the project reaches the expected usable status	Benefits realized during the reporting period	Cumulative realized benefits as of the end of the reporting period	Whether the expected benefits are achieved	Whether the feasibility of the project has changed significantly
Commitment to investment projects											
Ganzhou Power Adapter Expansion Project	Yes	30,275.52	5,275.52	348.15	5,068.19	96.07%	July 31, 2024	Realized income of RMB 54,440,800	Realized income of RMB 54,440,800	Not applicable	No
Dongguan Honor Electron Information Equipment Manufacturing	No	0	25,000	5,424.09	22,600.84	90.40%	January 16, 2024	Realized revenue of 222,407,400	Realized revenue of 222,407,400	Not applicable	No
Heart project								Yuan	Yuan		
Ganzhou Power Adapter Production Line Technical Transformation Project	No	7,984.58	7,984.58	1,374.51	3,325.9	41.65%	November 30, 2024	Not applicable	Not applicable	Not applicable	No
R & D center construction project	No	7,133	7,133	26.09	7,274.39	101.98%	September 30, 2022	Not applicable	Not applicable	Not applicable	No
Supplementary working capital	No	10,000	10,000	0	9,999.86	100.00%		Not applicable	Not applicable	Not applicable	No
Subtotal of committed investment projects	--	55,393.1	55,393.1	7,172.84	48,269.18	--	--	27,684.82	27,684.82	--	--
Over-raised funds invested											

Dongguan Power Adapter Expansion Project	No	4,800	4,800	0	4,824.01	100.50%	June 30, 2021	Realized income of 286,160,100 yuan	Realized income of RMB 739,272,000	Yes	No
Over-raised funds to supplement working capital	No	8,500	8,500	0	8,500.00	100.00%		Not applicable	Not applicable	Not applicable	No
Shenzhen Honorary Electron Power Technical Transformation Project (Note 1)	No	4,800.39	4,800.39	0	4,631.26	96.48%	June 21, 2022	Realized income of RMB 220,752,400	Realized income of 342.348 million yuan	Yes	No
Pay part of the purchase price of the property	No	10,000	10,000	0	10,000.00	100.00%		Not applicable	Not applicable	Not applicable	No
Repayment of bank loan (if any)	--	0	0	0	0	0.00%	--	--	--	--	--
Supplementary working capital (if any)	--	0	0	0	0	0.00%	--	--	--	--	--
Over-raised funds invested in subtotal	--	28,100.39	28,100.39	0	27,955.27	--	--	Realized income of RMB 506,912,500	Realized income of 1,081.62 million yuan	--	--
Total	--	83,493.49	83,493.49	7,172.84	76,224.45	--	--	Realized income of 783,760,700 yuan	Realized income of RMB 1,358,468,200	--	--
Sub-project description did not meet the planned progress	(1) Ganzhou power adapter production line technological transformation project: Due to the development of the industry in recent years, the power supply industry cluster has been formed, which has provided the company with a good R & D, production and sales environment. The company is in a rapid development stage as a whole. Based on factors such as long-term development strategy, future business layout and customer orders, the company will rationally and orderly carry out production capacity layout and construction, allocate resources rationally and effectively, and strive to maximize benefits and synergies. In 2021, under the influence of force majeure, tight supply of raw materials and shortage of goods, the company will consider the strategic layout, increase production capacity plan and profit performance										

<p>Degree, the situation and reasons for the expected benefits (including the reasons for choosing "not applicable" for "whether the expected benefits have been achieved")</p>	<p>There is a certain delay in the progress of the project. Under the circumstance that the implementation subject, total investment amount and use of funds of the raised funds investment projects remain unchanged, according to the current actual construction progress of the raised funds investment projects, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022, and reviewed and approved the "Proposal on the Extension of Some Raised Investment Projects". Agreed to extend the project's available status date to November 30, 2024.</p> <p>(2) R&D; center construction project: Affected by the company's actual operating conditions, market environment, force majeure and other factors, the overall progress of the R&D; center project was slightly slower than expected. The company fully considered the project construction cycle and the use of funds. After careful consideration, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022. The "Proposal on Extension of Some Fund-raising Projects" was reviewed and approved, and it was agreed to extend the time for the project to reach the expected usable state until September 30, 2022. The R&D; center construction project does not produce direct economic benefits, but it can enhance the company's core technical capabilities and further enhance the company's core competitiveness.</p> <p>(3) Ganzhou power adapter expansion project: Due to the development of the industry in recent years, the power supply industry cluster has been formed, which has provided the company with a good environment for R & D, production and sales. The company is in a rapid development stage as a whole. It will rationally and orderly carry out production capacity layout and construction based on factors such as long-term development strategy, future business layout and customer orders, and allocate resources rationally and effectively to maximize benefits and synergies. In 2021, under the unfavorable environment such as the impact of force majeure, the tight supply of raw materials and the shortage of goods, the company considered the strategic layout, the plan to increase production capacity and the profit performance, and the progress of the project experienced a certain delay. Under the circumstance that the implementation subject, total investment amount and use of funds of the raised funds investment projects remain unchanged, according to the current actual construction progress of the raised funds investment projects, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022, and reviewed and approved the "Proposal on the Extension of Some Raised Investment Projects". Agreed to extend the project's available status date to July 31, 2024. The Ganzhou power adapter expansion project was affected by various factors such as the decline in macroeconomic growth, the decline in product average prices due to intensified industry competition, the narrowing of gross profit margin and the increase in labor costs, so the benefits were lower than planned.</p>
<p>Description of major changes in project feasibility</p>	<p>The company held the sixth meeting of the second board of directors in 2021 and the fifth meeting of the second board of supervisors in 2021 on July 16, 2021, and held the first extraordinary general meeting of shareholders in 2021 on August 2, 2021. The Proposal on Changing the Use of Part of the Funds Raised was reviewed and approved respectively. According to the company's long-term development strategy and the development status of the power adapter industry, in order to better support the company's business development needs, improve production capacity and product structure layout, improve the efficiency of the use of raised funds, and protect the interests of small and medium shareholders, after the company's research and decision, it is planned to change the use of part of the raised funds in the original "Ganzhou Power Adapter Expansion Project" and invest in the newly raised investment project "Dongguan Honor Electron Information Equipment Manufacturing Center Project". The amount of raised funds to be changed is 250 million yuan, accounting for 29.44% of the total net raised funds. The main body of the newly-raised investment project is Dongguan Honor Electron Electronics Co., Ltd., a wholly-owned subsidiary of the company.</p>

The amount, purpose and progress of the use of over-raised funds	Applicable
	On September 17, 2020, the first meeting of the second board of directors in 2020 and the first meeting of the second board of supervisors in 2020 reviewed and approved the "Proposal on Using Over-raised Funds to Invest in Dongguan Power Adapter Expansion Project and Open a Special Account for Raised Funds", agreed to use part of the over-raised funds to invest in the Dongguan Power Adapter Expansion Project, and plans to use RMB 48.0 million of over-raised funds to invest in the Dongguan Power Adapter Expansion Project. The project reached its expected usable status on June 30, 2021.
	The second meeting of the second board of directors in 2021 and the second meeting of the second board of supervisors in 2021 will be held on April 13, 2021. The 2020 annual general meeting of shareholders held on May 7, 2021 reviewed and approved the "Proposal on Permanently Supplementing Working Capital with Part of Over-raised Funds", agreeing that the company will use over-raised funds of RMB 85 million to permanently supplement working capital to meet the company's daily operating needs. The supplementary working capital has been used up.
	Note 1: On June 21, 2021, the company held the fourth meeting of the second board of directors in 2021 and the fourth meeting of the second board of supervisors in 2021. It reviewed and approved the "Proposal on Using Over-raised Funds to Invest in Shenzhen Honor Electron Power Technical Transformation Project", agreed to use part of the over-raised funds to invest in Shenzhen Honor Electron Power Technical Transformation Project, and plans to use RMB 48,003,900 of over-raised funds to invest in Shenzhen Honor Electron Power Technical Transformation Project. The project reached its expected usable status on June 21, 2022. The committed investment amount of the project is 48,003,900 yuan, the actual investment amount is 46,312,600 yuan, and the remaining 1,691.3 million yuan is used to supplement the company's working capital.
	On October 11, 2021, the ninth meeting of the second board of directors in 2021 and the seventh meeting of the second board of supervisors in 2021 were held. The "Proposal on Using Over-raised Funds to Pay Part of the Purchase Price of Real Estate" was reviewed and approved, and it was agreed that the company should use over-raised funds of 100 million yuan to pay for part of the property price of the main commercial and podium building at No. 175, Hangcheng Avenue, Hangcheng Street, Bao'an District, Shenzhen. The funds have been used up.
	The balance of over-raised funds is 14.1549 million yuan, and the investment direction has not yet been determined.
Changes in the implementation location of investment projects with raised funds	Not applicable
Raised funds to invest	Not applicable
Adjustment of project implementation	
Preliminary investment and replacement of investment projects with raised funds	Applicable
	The amount of self-raised funds invested in advance investment projects and paid issuance expenses was 10.1511 million yuan. Tianzhi International Accounting Firm (special general partnership) verified the actual situation of the company's self-raised funds pre-invested in raised funds investment projects, and issued Tian Vocational Zi [2020] No. 35186 "Assurance Report on Shenzhen Honor Electronic Co., Ltd.'s Self-raised Funds Pre-invested in Raised Funds Investment Projects". The first meeting of the second board of directors of the company held on September 17, 2020 reviewed and approved the "Proposal on Using Raised Funds to Replace Pre-invested Fundraising Projects and Self-raised Funds That Have Paid Issuance Fees". The above funds have been replaced.

Temporary supplement of working capital with idle raised funds	Not applicable
The amount and reason for the balance of raised funds in the implementation of the project	Applicable The committed investment amount of Shenzhen Honor Electron's power supply technological transformation project is RMB 48,003,900, and the actual investment amount is RMB 46,312,600. The remaining RMB 1,691,300 is used to supplement the company's working capital, and the remaining funds of RMB 1,691,300 are due to the company's active efforts to reduce procurement costs, reduce project construction costs, and save raised capital expenditures during the implementation of raised investment projects.
The purpose and destination of the unused raised funds	As of December 31, 2023, the unused raised funds of RMB 110,618,900 (including over-raised funds) are deposited in the company's special account for raised funds.
Problems or other circumstances in the use and disclosure of raised funds	Not applicable.

(3) Change of projects with raised funds

Applicable Not applicable

Unit: ten thousand yuan

Changed project	Corresponding original commitment project	The total amount of funds to be invested in the project after the change (1)	Actual investment amount during the reporting period	Actual cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	The date when the project reaches the expected usable status	Benefits realized during the reporting period	Whether the expected benefits are achieved	Whether the feasibility of the project after the change has changed significantly

Dongguan Honor Electron Information Equipment Manufacturing Center Project	Ganzhou Power Adapter Expansion Project	25,000	5,424.09	22,600.84	90.40%	January 16, 2024	Realized income of 222,407,400 yuan	Not applicable	No
Total	--	25,000	5,424.09	22,600.84	--	--	Realized income of 222,407,400 yuan	--	--
Reasons for changes, decision-making procedures and information disclosure descriptions (by specific items)	<p>The company held the sixth meeting of the second board of directors in 2021 and the fifth meeting of the second board of supervisors in 2021 on July 16, 2021, and held the first extraordinary general meeting of shareholders in 2021 on August 2, 2021. The Proposal on Changing the Use of Part of the Funds Raised was reviewed and approved respectively. Sponsor Sinolink Securities Co., Ltd. A verification opinion was issued. For details, please refer to the company's website on Juchao Information Network on July 17, 2021 (http://www.cninfo.com.cn) disclosed the "Announcement on Changing the Use of Part of the Funds Raised" and related announcements. The reason for this change of the company is firstly to take into account the gradual implementation of the strategic development plan, the Dongguan factory is close to the headquarters and it is relatively easy to recruit high-end R&D; technical talents and production workers, combined with production needs and logistics arrangements, the priority development of the Dongguan factory is in line with the company's current strategic development, and it is conducive to maximizing the company's interests and synergies, and further improving the industrial chain, so as to improve the efficiency of the use of raised funds and obtain the investment benefits of raised funds as soon as possible. Protect the interests of shareholders and small and medium investors. Secondly, the company has been deeply involved in the power adapter industry for many years and has established a good brand awareness and product reputation. In the future, the company will continue to expand its scale, expand product categories, continue to expand new markets and new customers, and seize the important development opportunities of the global power supply industry's transfer to China and the growth of downstream application market demand. The company's new fundraising projects will provide good support for the company's long-term development strategy. Based on the above reasons, the company decided to use the remaining raised funds of the original raised funds investment project "Ganzhou Power Adapter Expansion Expansion Project" for this new raised investment project "Dongguan Honor Electron Information Equipment Manufacturing Center Project". As of December 31, 2023, Dongguan Honor Electron Information Equipment Manufacturing Center project has invested a total of 226,008,400 yuan.</p>								
Circumstances and reasons for not reaching the planned schedule or expected benefits (by specific project)	Not applicable								
Description of major changes in the feasibility of the project after the change	No major changes in project feasibility								

VIII. Major Asset and Equity Sale

1. Sale of major assets

■ Applicable Not Applicable

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

2. The sale of major equity

Applicable ■ Not applicable

Counter party	Sold equity	Sale date	Transaction price (ten thousand yuan)	Net profit contributed by the equity to the listed company from the beginning of the period to the date of sale (10,000 yuan)	The impact of the sale on the company	The ratio of the net profit contributed by the equity sale to the total net profit of the listed company	Equity Sale Pricing Principles	Whether it is a related party transaction	Relationship with the counter party	Whether the equity involved has been fully transferred	Whether it is implemented as planned or not, if it is not implemented as planned, the reasons and the measures the company has taken should be explained	Disclosure date	Disclosure Index

Mr. Wang Yuetian, Ms. Shang Yunsi	60% equity of Shanghai Anshibo and Suzhou Bodian	November 30, 2023	14,400	-6,463.21	After the transaction is completed, Anshibo and Suzhou Bodian will no longer be included in the company's consolidation scope. This transaction will help reduce the company's financial pressure, optimize the company's resource allocation, and strategically focus on businesses such as power adapters and data center power supplies.	69.55%	The target equity transfer price is based on the audit report	Yes	Mr. Wang Yuetian and Ms. Shang Yunsi are the company	Yes	Yes	September 29, 2023	For details, please refer to the company's website on Juchao Information Network (http://www.report.evaluationreport.determination) Actual controller Ww.cninfo.com.cn disclosed on the "Announcement on Transfer of 60% Equity Interests in Wholly Owned Subsidiaries and Abandonment of Priority Subscription and Capital Contribution Rights and Related Party Transactions" (Announcement No.: 2023-06
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IX. Analysis of major holding companies

Applicable ■ Not applicable

Major subsidiaries and participating companies that have an impact on the company's net profit by more than 10%

Unit:
Yuan

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Hong Kong Honor Electron Technology Co., Ltd	Subsidiary	Mainly engaged in overseas sales of power adapters and other power products	113,146,724.00	326,779,783.72	220,229,490.22	538,970,194.87	45,392,239.12	43,975,894.53
Honor Electron (Ganzhou) Electronics Co., Ltd	Subsidiary	Mainly engaged in the production and processing of power adapters and other power products	126,675,603.00	217,543,177.33	157,978,826.54	159,210,403.99	7,841,252.26	6,951,765.53
Dongguan Honor Electron Electronics Co., Ltd	Subsidiary	Mainly engaged in the research and development, production and sales of power adapters and other power products	208,000,000.00	515,621,071.27	134,461,451.41	285,641,357.03	-12,520,088.36	-12,542,754.06
Vietnam Honor Electron Technology Co., Ltd	Subsidiary	Mainly engaged in power adapters and other power products Production and overseas sales	109,969,120.05	391,299,130.16	211,695,267.10	555,068,476.84	58,284,608.82	53,157,240.43
Hangzhou Yundian Technology Energy Co., Ltd	Subsidiary	Mainly engaged in the research and development of various power products and customer service	100,000,000.00	28,222,376.02	10,532,950.50	14,004,075.69	-39,909,907.13	-39,892,157.07
Suzhou Yundian Electronic Manufacturing Co., Ltd	Subsidiary	Mainly engaged in the research and development, production and sales of various power products	50,000,000.00	122,553,414.00	40,609,303.20	44,937,583.56	-9,082,044.52	-9,254,324.62

Shanghai Anshibo Energy Technology Co., Ltd	Participating company	Mainly engaged in the research and development of various power products and customer service	216,666,667.00	230,718,247.15	118,570,924.60	91,591,563.12	-49,306,578.02	-47,911,130.41
Suzhou Bodian Yunke Energy Technology Co., Ltd	Participating company	Mainly engaged in the research and development, production and sales of various power products	130,000,000.00	156,740,976.57	75,031,212.37	146,867,079.58	-26,477,711.74	-26,197,432.13

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Company name	The method of acquiring and disposing of subsidiaries during the reporting period	Impact on overall production operations and performance
Shanghai Honor Electron Electronic Technology Co., Ltd	Investment establishment	No significant impact
Shanghai Anshibo Energy Technology Co., Ltd	Equity transfer	The divestiture of the continuous loss-making power supply module business for charging and swapping facilities will help reduce the company's financial pressure, optimize the company's resource allocation, and strategically focus on power adapters and data center power supplies
Suzhou Bodian Yunke Energy Technology Co., Ltd	Equity transfer	The divestiture of the continuous loss-making power supply module business for charging and swapping facilities will help reduce the company's financial pressure, optimize the company's resource allocation, and strategically focus on power adapters and data center power supplies
Hangzhou Honor Electron Electronic Technology Co., Ltd	Log out	No significant impact

Description of the main holding companies

X .Structured entities controlled by the company

Applicable Not Applicable

11. Prospects for the company's future development

(1) 2024 business plan

1. Continue to increase the scale and actively expand new customers and new areas

In 2024, the company will carry out work on the three main businesses of power adapters, server power supplies and other power supplies, as follows:

1) Power adapter

Power adapters are the company's mature and solid growth core business. In the huge market of 100 billion switching power supplies, there is still room for further expansion of the business volume. The company will continue to expand its product categories horizontally, and further develop new application scenarios such as smart home and drones in the fields of office electronics and security monitoring power supplies. Vertically, it will continue to cultivate existing customers and continue to increase its share of existing major customers.

2) Server power supply

Server power supply is one of the company's long-term development strategies. In the future, with the growth of large-model AI server shipments, the number of configurations and power consumption of GPU chips in AI large-model servers will increase significantly compared with traditional servers, and higher requirements will be placed on power infrastructure including server power supplies, which will push power products to further iterate in the direction of high power, high efficiency and high density. Excellent high-power server power supply products and immersed liquid-cooled power supply solutions are expected to be more favored by downstream customers such as cloud service providers and AI server manufacturers. The company has made technical reserves in related fields in advance to prepare for greater development opportunities. The company will continue to expand the market and expand its business scale, seize the new opportunities brought by the new round of AI industry reform to upgrade the server industry chain, strengthen in-depth cooperation with leading customers, and follow the development trend of green, low-carbon and high-density data centers under the background of the expansion of data center computing power and the demand for domestic substitution, accelerate the product layout to high power density and high conversion efficiency, and continue to expand the power supply software and hardware design of various power platforms. Develop products suitable for multiple devices and multiple end requirements.

3) Other power supplies

The company will adhere to the layout of new business areas, continue to track industry trends, maintain necessary strategic investment, actively explore and explore the application of power products in emerging fields, and enhance the company's overall business scale and anti-risk capabilities. In terms of the specific development of the business, on the one hand, the company will continue to stabilize the supply share of existing customers in power tool power supply and charger products; on the other hand, the company will continue to expand new projects and new markets for existing customers through project experience, product quality, production capacity coordination, and delivery capabilities.

2. Actively promote the issuance of convertible bonds and enhance the production capacity of data center power supplies

The company is implementing a convertible bond project that plans to issue funds of no more than 645 million yuan to unspecified targets for the power supply construction project of Dongguan Honor Electron data center, the upgrade construction project of the new headquarters and R&D; laboratory, and the supplement of working capital. The company's issuance of convertible bonds has been approved by the China Securities Regulatory Commission for registration in February 2024, and will continue to actively promote the issuance of convertible bonds according to the overall plan. Among them, the company plans to invest 259 million yuan to build a data center power supply production line to enhance the company's production capacity of data center power supply products and help the company's business continue to develop rapidly. After the investment and commissioning of this fundraising project, it will expand the company's business scale and further enhance the company's R&D; capabilities, which will help the company achieve long-term sustainable development by expanding new business areas, strengthen the company's main business, improve the company's core competitiveness, and promote the improvement of operating performance.

3. Continue to invest in R & D, consolidate technology accumulation, and improve the level of cutting-edge technology

The company drives business development with technological innovation, and will continue to invest in research and development to continuously improve its technical level and innovation capabilities. Project R&D; and pre-research team collaboration capabilities have been continuously improved, a good technology and information cycle has been formed, and the upstream and downstream changes in the industry have been combined with customer needs to continuously achieve breakthroughs in cutting-edge technologies and high-end products in the industry, maintain technological leadership, and lead new business development directions.

4. Continue to improve the management level and promote the construction of professional and efficient talent echelon

In terms of management, the company will continue to strengthen the construction of informatization, realize the intelligentization of equipment, products, production, management and service, and build a high-quality and high-efficiency smart factory. Strengthen the coordination efficiency of various internal departments and improve the operating efficiency. At the same time, the company will promote the construction of talent echelon, absorb outstanding talents, reserve talents and optimize talent management, build a more complete talent development system and cultivation system, and further enhance the company's comprehensive competitiveness.

(2) Possible risks in future development

1. Market risk

Switching power supply products have a wide range of applications, large market capacity, and relatively many manufacturers. Relying on the advantages of technological innovation and quality control, the company has continuously expanded its business scale. On the one hand, with the further deepening of international industrial transfer and the rapid development of industry technology, the global division of labor system and market competition pattern may change; on the other hand, with the impact of the macroeconomic situation, the market prosperity of downstream related industries may fluctuate, which may cause some customers to reduce purchases from the company, resulting in the company facing a reduction in orders. The company has always insisted on analyzing and evaluating the market situation, predicting the development direction of the industry in advance and making reasonable plans and arrangements, keeping up with the development trend of the industry, and strengthening market development to make up for possible losses with market increments.

2. The risk of price fluctuations of main raw materials

The main raw materials required for the company's production and operation are semiconductors, resistors and capacitors, magnetic materials, wires, housings, etc. During the reporting period, the company's direct materials accounted for a relatively high proportion of the main business costs. In the future, affected by market demand and the macro environment, the purchase price of the company's main raw materials may fluctuate to a certain extent, which will lead to fluctuations in the company's product sales cost and gross profit margin. Therefore, the company may face the risk that the price fluctuation of major raw materials will adversely affect the company's operating results. The company will pay close attention to the price trend of raw materials, and reduce the impact of raw material price fluctuations on the company through strategies such as strategic inventory, centralized procurement, and payment forms.

3. Exchange rate fluctuation risk

During the reporting period, the company's export business was mainly settled in currencies such as US dollars and Hong Kong dollars, and there was uncertainty about exchange rate fluctuations. The company has the risk of fluctuations in operating performance due to changes in exchange rates. In order to deal with exchange rate risks, the company will pay close attention to changes in foreign exchange market, reasonably control the scale of foreign currency assets held, strengthen foreign exchange risk prevention, and select reasonable foreign exchange hedging tools according to business development needs to reduce the possible adverse effects of exchange rates.

4. Risk of declining gross profit margin

During the reporting period, the company's comprehensive gross profit margin was relatively stable. Affected by factors such as fluctuations in the price of some materials and rising labor costs, the company's gross profit margin fluctuated to a certain extent. In the future, if there are major adverse changes in the factors affecting the company's gross profit margin, the company's gross profit margin may be at risk of further decline. In the future, the company will further summarize and optimize, formulate cost reduction strategies, and implement relevant effective measures to minimize the impact of material price fluctuations and rising labor costs.

5. Uncertain risks caused by force majeure

If force majeure occurs, it may affect the macro economy, which in turn will affect the development of some of the company's overseas businesses. The company will continue to pay attention to changes in the external environment, give full play to its own advantages, be cautious and pragmatic with a positive attitude, and innovate and adapt.

12. Registration form for reception research, communication, interviews and other activities during the reporting period

Applicable Not applicable

Reception time	Reception location	Reception	Reception object type	Reception object	The main content of the discussion and the information provided	Basic Information Index of the Survey
January 09, 2023	Online meeting	Telephone communication	Mechanism	Cinda Australia Fund, Everbright Securities	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on January 9, 2023"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on January 9, 2023"
February 06, 2023 -February 08, 2023	Online meeting	Telephone communication	Mechanism	Willing Capital, Southern Asset Management, Cinda Australia Fund, Invesco Great Wall Fund, Yinhua Fund, Bank of China Fund, Caitong Fund, Everbright Securities, Tianfeng Securities	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from February 6 to February 8, 2023"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from February 6 to February 8, 2023"
February 09, 2023 -February 13, 2023	Changsha, Xiamen, Beijing	other	Mechanism	Guotai Junan Securities, Penghua Fund, Mingshi Fund, Sunshine Insurance, Dajia Assets, China Life Pension, Kaiyuan Securities, Western Securities, Western Profit Fund, CCB Fund, China Life AMP Asset, Cinda Securities, Yinhua Fund	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from February 9 to February 13, 2023"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from February 9 to February 13, 2023"

February 21, 2023 - February 24, 2023	Shenzhen	Other	Mechanism	Western Securities, JX Asset Management, Qianhai Life Insurance, Mingda Assets, Hang Seng Qianhai Fund, Quanxi Investment, Wangzheng Assets, Xinhenglida, Guosen Asset Management, CSC Financial, Tongchuangweiye, Shihao Capital, Great Wall Fund, AVIC Securities, Caitong Asset Management, Essence Securities, Xinge Investment, Sinobo Investment	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from February 21 to February 24, 2023"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from February 21 to February 24, 2023"
April 07, 2023	Shenzhen	Telephone communication	Mechanism	Cinda Securities, Everbright Securities, Western Securities, Minsheng Securities	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on April 7, 2023"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on April 7, 2023"
April 19, 2023	"Roadshow" website	Online communication on network platform	Personal	Investors	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on April 19, 2023"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on April 19, 2023"
May 08, 2023	Shenzhen, Shanghai, Beijing, Xi'an	Other	Mechanism	Galaxy Fund, Haitong Securities, Bosera Funds, Debon Fund, CPIC Assets, Hua Chuang Securities, Huaan Fund, CITIC-Prudential Fund, Northeast Securities, Everbright Asset Management, Yuxiu Capital, Zheshang Asset Management, Tongtai Fund, Xinghe Fund, Bosera Funds, Debon Asset Management, Pengyang Fund, Star Stone Investment, Guolian Securities, Huaifu Securities, Franklin Templeton Sealand Fund, CICC, Hongyan Investment, Haiya, China Life Pension, Cinda Aoya Fund, Xindaya Fund Da Securities, Western Securities, etc	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from May 8 to May 12, 2023"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from May 8 to May 12, 2023"

June 06, 2023	Shenzhen, Shanghai	other	Mechanism	<p>Kaiyuan Securities, Tongyuan Investment, Guosheng Security Fund, Kaiyuan Sichuang Investment, China Overseas Fund, Kaiyuan Securities, Soochow Fund, Topsperity Securities, Taixin Fund, Topsperity Securities, Hengyue Fund, Changhong Capital, Qianhai Hongfu, Boya Investment, Yongjun Investment, Topsperity Securities, Huabao Fund, Tianfeng Securities, IMR, Xinhua Fund, WTasset, Oriental Fund, Oriental Alpha Fund, Haitong Securities, Guolian An Fund, Baoying Fund, Cathay Pacific Fund, Capital Securities Western Securities, leader asset. Hengrui Private Equity, Ruishengyuan Private Equity, Shicheng Investment, Ruitian Investment, China Merchants Securities, Northeast Securities, Taiping Fund, Debon Fund, Soochow Securities, Guosen Hongsheng, Geru Private Equity, Changyu Capital, Jiteng Assets, DYMON, Changjiang Pension, Franklin Templeton Sealand Fund, Soochow Securities, Puyin AXA Fund, Zhongrong Trust, Cathay Pacific Fund, Essence Securities, Franklin Templeton Sealand Fund, Long Investment, Jiuge Investment, Zhongdao Investment, Jinghe Ling Assets, Changxin Fund Yongying Fund, Industrial Fund, Huatai Bai Rui Fund, SVI Fund, Qunyi Investment Trust, Shin Kong Investment Trust, KGI Investment Consulting, Sinolink Securities, Huashang Fund, CSC Financial, etc</p>	<p>For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from June 6 to June 16, 2023"</p>	<p>For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from June 6 to June 16, 2023"</p>
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August 24, 2023	Shenzhen	Telephone communication	Mechanism	<p>Changjiang Securities, Northeast Securities, Soochow Securities, China Great Wall Securities, China Industrial Securities, Guosheng Securities, TERM5, Tianfeng Securities, Haitong Securities, CITIC Securities, Topsperity Securities, Sinolink Securities, Caitong Securities, TERM11, Gf Securities, Guolian Securities, Western Securities, Kaiyuan Securities, Guotai Junan Securities, Cinda Securities, TERM16, Everbright Securities, Shenzhen Harvest Fund, Jinxin Fund, Jinxin Fund, Essence Securities, TERM13, TERM14, Kaiyuan Securities, Guotai Junan Securities, Cinda Securities, TERM16, TERM17, Shenzhen Aoxin Yachen Fund, Shanghai Trust Fund, Essence Securities, Essence Securities, TERM13, TERM14, Kaiyuan Securities, Guotai Junan Securities, TERM15, Cinda Securities, TERM16, Everbright Securities, TERM17, Shenzhen Aoxin Yachen Fund, Jinxinyuan Fund, Shanghai Trust Fund, Essence Securities, Essence Securities, Essence Securities, Essence Securities, Essence Securities, China Securities, China Securities, China Securities, China Securities, Huaan Fund, Fengjing Capital, Tianhong Fund, Tianjin Yixinan Assets, Yihong Investment, Tide Assets, China Universal Asset Fund, Bank of Communications Schroder Fund, Chuangjin Hexin Fund, Changxin Fund, Huabao Fund, Dadao Assets, Chaos Investment, CSC Financial, Manulife Teda Fund, Haifutong Fund, Fugue Investment, Bei Boe Ruishi Investment, Minghe Investment, Bank of China Fund, Xuanjia Investment, China Life AMP Asset, Shanghai Haoji Investment, Guangzhou Trend Private Equity, Ivy8-League Assets,</p>	<p>For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on August 24, 2023"</p>	<p>For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on August 24, 2023"</p>
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				e Investment, Guangzhou Financial Holdings, Fortune Fund, Renqiao Assets, Trustworthy Fund, Invesco Great Wall Fund, etc		
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October 25, 2023	Shenzhen	Telephone communication	Mechanism	Cinda Securities, Topsperity Securities, Xiaoyang Technology Investment, Guangdong Zhengyuan Private Equity Fund, Soochow Fund, E Fund Fund, Shanghai Nantu Assets, China Securities, Bosera Funds, Cinda Aoya Fund, Shenzhen Huijia Investment, China Post & Capital Fund, Yinhua Fund, Hongdao Investment, Huaxia Fund, Huaxia Fortune Innovation Investment, Shanghai Fuge Investment, Xixian Capital, China Merchants Fund, Tianhong Shenwan Fund, Anda Lingxin Fund, Schroder Fund, Fortis Hai Fund, Fufu Fund, Bank of Communications Wells Fargo Fund, Shanghai Haoxiang Assets, Harvest Fund, China Universal Fund, etc	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from October 25 to October 26, 2023"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from October 25 to October 26, 2023"
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XIII. Implementation of the "Quality and Return Double Improvement" Action Plan

Has the company disclosed the action plan for "double improvement of quality and return"?

■ whether

Section 4 Corporate Governance

I. The basic situation of corporate governance

During the reporting period, in strict accordance with the "Company Law", "Securities Law", "Listed Company Governance Guidelines", "Shenzhen Stock Exchange ChiNext Stock Listing Rules", "Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 2 - Standardized Operation of Listed Companies on ChiNext" and other relevant laws, regulations and regulatory documents, the company continuously improved its corporate governance structure, established and improved the company's internal control system, and further improved its corporate governance level and risk prevention capabilities.

1. About corporate governance

During the reporting period, the company strictly followed the requirements of relevant laws and regulations and relevant regulatory documents, continuously improved the company's governance structure, established and improved the company's internal control system, promoted the company's standardized operation, and improved the company's governance level. The company has established a corporate governance structure consisting of the general meeting of shareholders, the board of directors, the board of supervisors and the management, and established and improved relevant systems. Under the company's board of directors, there are four special committees, namely the strategy committee, the audit committee, the nomination committee and the remuneration and assessment committee, to strengthen the construction of the internal control system based on the actual situation of the company.

2. About shareholders and general meeting

In strict accordance with the "Company Law", "Listed Company Shareholders' General Meeting Rules", "Articles of Association" and other provisions, the company regulates the convening of shareholders' general meetings to ensure that all shareholders, especially small and medium shareholders, enjoy equal status, and ensure shareholders' right to know, participate and vote on major issues of the company. During the reporting period, the general meeting of shareholders was convened by the board of directors. According to relevant laws, administrative regulations, departmental rules, regulatory documents and the company's articles of association, the matters that should be voted by the general meeting of shareholders shall be approved by the general meeting of shareholders in accordance with the corresponding authority and then submitted to the general meeting of shareholders for deliberation. There is no case of exceeding the authority for approval or first implementation and then deliberation. The qualifications of persons attending the general meeting of shareholders and the convening and voting procedures of the general meeting of shareholders are legal.

3. About the company and controlling shareholders

The controlling shareholder of the company strictly regulates its own behavior in accordance with the provisions and requirements of the "Guidelines for Corporate Governance of Listed Companies", "Rules for the Listing of Stocks on the Growth Enterprise Market of the Shenzhen Stock Exchange", "Guidelines for Self-Regulatory Supervision of Listed Companies on the Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market" and other regulations and requirements, and does not directly or indirectly interfere with the company's decision-making and business activities beyond the general meeting of shareholders, and does not harm the interests of the company and other shareholders. There is no phenomenon of controlling shareholders occupying the company's funds, and the company does not provide guarantees for controlling shareholders. The company has independent and complete business and independent operation capabilities. It is independent of the controlling shareholder in terms of business, personnel, assets, organization and finance. The company's board of directors, board of supervisors and internal institutions operate independently.

4. About Directors and the Board of Directors

The company's board of directors consists of 9 directors, including 3 independent directors. The number, composition and qualifications of the board of directors are in compliance with the requirements of laws, regulations and the Articles of Association. All directors can carry out their work in accordance with the "Company Law", "Rules of Procedures for the Board of Directors", "Work System for Independent Directors", "Guidelines for Self-Regulatory Supervision of Listed Companies on the Shenzhen Stock Exchange No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market", etc. During the reporting period, the company held a total of 9 board meetings. All directors of the company actively participate in the training organized by securities regulatory agencies, and through timely study and familiarity with relevant laws and regulations, they can effectively improve the ability of directors to perform their duties.

5. About the Supervisory Board and the Supervisory Board

The board of supervisors of the company consists of 3 supervisors, including 1 employee representative supervisor. The company elects supervisors in strict accordance with the selection procedures stipulated in the "Company Law" and "Articles of Association". The number and composition of the company's board of supervisors meet the requirements of laws and regulations. The supervisors can earnestly study relevant laws and regulations, actively participate in relevant business training, and earnestly perform their duties. In the spirit of being responsible to all shareholders, especially small and medium shareholders, they perform the function of supervising the performance of the company's board of directors and management. During the reporting period, the company held 9 meetings of the board of supervisors to supervise the legality and compliance of major events, related transactions, financial status and the performance of duties by directors and other senior management personnel. Safeguard the legitimate rights and interests of the company and shareholders.

6. Information disclosure and transparency

The company attaches great importance to information disclosure and investor relationship management, strictly abides by the "Company Law", "Administrative Measures for Information Disclosure of Listed Companies" and other laws and regulations, as well as the "Investor Relations Management System" and "Insider Registration Management System", and discloses relevant information truthfully, accurately, completely, timely and fairly. And designated "China Securities Journal", "Shanghai Securities News", "Securities Times", "Securities Daily" and Juchao Information Network (<http://www.cninfo.com.cn>) as the designated newspapers and websites for the company's information disclosure, to ensure that all shareholders of the company can obtain information with equal opportunities.

The company attaches great importance to the management of investor relations. Through various channels such as investor special lines, special mailboxes, and the "Interactive Easy" platform of the Shenzhen Stock Exchange, special personnel are responsible for communicating and communicating with investors, actively responding to investor inquiries, and accepting investor visits and research. As the specific implementation agency of investor relations management, the office of the company's board of directors strives to build a good interactive relationship with investors and establish a good image of the company in the capital market.

7. About stakeholders

The company fully respects and safeguards the legitimate rights and interests of relevant stakeholders, strengthens communication and exchanges with all parties, realizes the coordination and balance of the interests of shareholders, employees, society and other parties, and jointly promotes the sustainable and healthy development of the company.

Are there any major differences between the actual status of corporate governance and laws, administrative regulations and the regulations on listed company governance issued by the China Securities Regulatory Commission?

■ whether

There is no major difference between the actual status of corporate governance and laws, administrative regulations and the regulations on listed company governance issued by the China Securities Regulatory Commission.

II. The company's independence from the controlling shareholder and actual controller in guaranteeing the company's assets, personnel, finance, organization, business, etc

The company operates strictly in accordance with the "Company Law", "Securities Law" and other relevant laws and regulations, departmental rules, regulatory documents and the requirements of the "Articles of Association". It is completely separated from the controlling shareholder and actual controller in terms of business, personnel, assets, organization and finance, and has independent and complete business and independent operation capabilities.

III. Horizontal competition

■ Applicable Not Applicable

IV. Relevant information on the annual general meeting and extraordinary general meeting held during the reporting period

1. The general meeting of shareholders during the reporting period

Session	Meeting type	Investor participation ratio	Date	Disclosure date	Meeting resolutions
First Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting	64.69%	January 17, 2023	January 17, 2023	Announcement on Resolutions of the First Extraordinary General Meeting of Shareholders in 2023 (Announcement No.: 2023-002) Disclosure URL: www.cninfo.com.cn
Second Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting	64.64%	March 17, 2023	March 17, 2023	Announcement on Resolutions of the Second Extraordinary General Meeting of Shareholders in 2023 (Announcement No.: 2023-014) Disclosure URL: www.cninfo.com.cn
2022 Annual General Meeting	Annual general meeting	64.66%	April 28, 2023	April 28, 2023	Announcement on Resolutions of the 2022 Annual General Meeting of Shareholders (Announcement No.: 2023-033) Disclosure URL: www.cninfo.com.cn
2023 Third Extraordinary General Meeting of Shareholders	Extraordinary General Meeting	64.36%	June 26, 2023	June 26, 2023	Announcement on Resolutions of the Third Extraordinary General Meeting of Shareholders in 2023 (Announcement No.: 2023-043) Disclosure URL: www.cninfo.com.cn
2023 Fourth Extraordinary General Meeting of Shareholders	Extraordinary General Meeting	64.51%	September 15, 2023	September 15, 2023	Announcement on Resolutions of the Fourth Extraordinary General Meeting of Shareholders in 2023 (Announcement No.: 2023-061) Disclosure URL: www.cninfo.com.cn
Fifth Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting	71.95%	October 17, 2023	October 17, 2023	Announcement on Resolutions of the Fifth Extraordinary General Meeting of Shareholders in 2023 (Announcement No.: 2023-072) Disclosure URL: www.cninfo.com.cn
The Sixth Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting	65.07%	December 22, 2023	December 22, 2023	Announcement on Resolutions of the Sixth Extraordinary General Meeting of Shareholders in 2023 (Announcement No.: 2023-086) Disclosure URL: www.cninfo.com.cn

2. Preferred shareholders whose voting rights have been restored request to convene an extraordinary general meeting

■ Applicable Not Applicable

V. The company has voting rights difference arrangement

■ Applicable Not Applicable

VI. Corporate Governance of Red Chip Structure

■ Applicable Not Applicable

VII. Directors, Supervisors and Senior Management

1. Basic information

Name	Sex	Age	Position	Employment status	Term start date	Term end date	Number of shares held at the beginning of the period (shares)	The number of shares held in the current period (shares)	The number of shares reduced in the current period (shares)	Other changes (shares)	Number of shares held at the end of the period (shares)	Reasons for the increase or decrease of shares
Wang Heqiu	Man	59	Chairman, General Manager	Incumbent	September 17, 2017	September 14, 2026						
Wang Yuetian	Man	34	Vice Chairman, Director	Incumbent	September 17, 2017	September 14, 2026	40,000			-40,000	0	Equity incentive termination
Jiang Shuxing	Man	53	Deputy General Manager, Director	Incumbent	September 17, 2017	September 14, 2026						
Wang Peng	Man	38	Director	Incumbent	September 17, 2017	September 14, 2026						
Chu Dazhi	Female	50	Independent director	Outgoing	September 17, 2017	September 15, 2023						
Yang Linan	Man	58	Independent director	Outgoing	September 16, 2017	September 15, 2023						
Li Tianming	Man	52	Independent director	Outgoing	December 28, 2018	September 15, 2023						
Hao Liuquan	Man	45	Chairman of the Supervisory Board	Outgoing	September 17, 2020	September 15, 2023						
Li Xiulou	Man	43	Supervisor	Outgoing	September 17, 2020	September 15, 2023						

Zhao Hongyu	Man	56	Deputy General Manager	Incumbent	September 17, 2017	September 14, 2026						
Zhao Hongyu	Man	56	Director	Incumbent	September 15, 2023	September 14, 2026						
Zhao Peng	Man	46	Deputy General Manager	Incumbent	September 17, 2017	September 14, 2026						
Shang Yunsi	Female	34	Deputy General Manager, Secretary of the Board of Directors	Incumbent	September 17, 2017	September 14, 2026						
Shang Yunsi	Female	34	Director	Incumbent	September 15, 2023	September 14, 2026						
Zhang Shuyuan	Female	56	Financial officer	Incumbent	October 24, 2022	September 14, 2026						
Wang Hung Roger	Female	47	Supervisor	Incumbent	October 24, 2022	September 14, 2026						
Li Zhiwei	Man	44	Independent director	Incumbent	September 15, 2023	September 14, 2026						
Yang Xiao Ping	Man	55	Independent director	Incumbent	September 15, 2023	September 14, 2026						
You Xiao	Female	43	Independent director	Incumbent	September 15, 2023	September 14, 2026						
Li Meiqin	Female	50	Chairman of the Supervisory Board	Incumbent	September 15, 2023	September 14, 2026						
Xu Zhanjun	Man	50	Supervisor	Incumbent	September 15, 2023	September 14, 2026						
Total	--	--	--	--	--	--	40,000	0	0	-40,000	0	--

Whether there were any resignations of directors and supervisors and dismissal of senior management during the term of office during the reporting period

Yes No

The company held the fourth extraordinary general meeting of shareholders and the employee representative meeting in 2023 on September 15, 2023. The members of the third board of directors, the non-employee representative supervisor of the third board of supervisors and the employee representative supervisor of the third board of supervisors were elected respectively. The independent directors of the company, Mr. Yang Lin'an, Mr. Li Tianming and Ms. Chu Dazhi, resigned due to expiration, and the supervisors Mr. Hao Liuquan and Mr. Li Xiulou resigned due to expiration.

Changes in the company's directors, supervisors and senior management

Applicable Not applicable

Name	Position held	Type	Date	Reason
Shang Yunsi	Director	Be elected	September 15, 2023	Elected as a non-independent director of the third board of directors
Zhao Hongyu	Director	Be elected	September 15, 2023	Elected as a non-independent director of the third board of directors
You Xiao	Independent director	Be elected	September 15, 2023	Elected as an independent director of the third board of directors
Yang Xiao Ping	Independent director	Be elected	September 15, 2023	Elected as an independent director of the third board of directors
Li Zhiwei	Independent director	Be elected	September 15, 2023	Elected as an independent director of the third board of directors
Li Meiqin	Chairman of the Supervisory Board	Be elected	September 15, 2023	Elected as non-employee representative supervisor of the third board of supervisors
Xu Zhanjun	Supervisor	Be elected	September 15, 2023	Elected as non-employee representative supervisor of the third board of supervisors
Li Xiulou	Supervisor	Resignation at the end of the term	September 15, 2023	Resignation at the end of the term
Hao Liuquan	Chairman of the Supervisory Board	Resignation at the end of the term	September 15, 2023	Resignation at the end of the term
Yang Linan	Independent director	Resignation at the end of the term	September 15, 2023	Resignation at the end of the term
Chu Dazhi	Independent director	Resignation at the end of the term	September 15, 2023	Resignation at the end of the term
Li Tianming	Independent director	Resignation at the end of the term	September 15, 2023	Resignation at the end of the term

2. Employment

The professional background, main work experience and current main responsibilities of the company's current directors, supervisors and senior managers

1. Board members

(1) Mr. Wang Heqiu: born in November 1964, Chinese nationality, no permanent residency abroad, bachelor degree. He used to be a technician of the First Research Institute of Nanjing Semiconductor Device Factory, a production technology manager of Shenzhen Jingdao Electronic Enterprise Co., Ltd., and a production technology manager of Shenzhen Jingquan Electronics Co., Ltd. From November 1995 to November 2017, he served as the general manager of Shenzhen Genoli; from November 1995 to present, he has been the executive director of Shenzhen Genoli; from April 2007 to present, he has been the chairman of Ganzhou Honor Electron; from October 2014 to present, he has been the executive partner of Wang Yuewang; from March 2017 to present, he has been the executive partner of Tongju; and from July 2019 to present, he has been the chairman of Dongguan Honor Electron; From March 2021 to present, he has been the chairman of Shenzhen Zhilian; from April 2021 to present, he has been the director of Anshibo; from November 2023 to present, he has been the chairman of Shanghai Honor Electron; and from May 1996 to present, he has been the chairman and general manager of the company.

(2) Mr. Wang Yuetian: born in May 1989, Chinese nationality, holding a Hong Kong temporary identity card, permanent residency in the United States, and a bachelor's degree. From April 2007 to present, he has been a director of Ganzhou Honor Electron; from October 2015 to present, he has been a director of Hong Kong Honor Electron; from May 2017 to present, he has been a manager of Taiwan Honor Electron; from July 2019 to present, he has been a director of Dongguan Honor Electron; from June 2015 to September 2017, he has been the manager of the company's marketing department; from September 2017 to present, he has been a director of the company; from October 2017 to September 2020, he has been the deputy general manager of the company; From September 2020 to present, he has served as the vice chairman of the company; from November 2020 to present, he has served as the manager of Aisineng (USA). From August 4, 2021 to present, he has served as the executive director and general manager of Bodian Yunke; from August 26, 2022 to present, he has served as the executive director and general manager of Suzhou Yundian; from February 1, 2021 to present, he has served as the chairman and general manager of Hangzhou Yundian; and from April 21, 2021 to present, he has served as the chairman and general manager of Anshi Expo.

(3) Mr. Jiang Shuxing: born in 1970, Chinese nationality, no permanent residency abroad, college degree. He used to be the head of the quality department of Dongguan Qingxi Liyuan Jetta Electrical Products Factory, the head of the quality department of Dongguan Qingxi Sihai Electrical Appliances Factory, and the production manager of Dongguan Fenggang Yiji Plastic Hardware Products Factory. From December 2016 to present, he has served as the general manager of Ganzhou Honor Electron; from July 2019 to present, he has served as the director and manager of Dongguan Honor Electron; from June 2005 to October 2017, he has served as the head of the quality department and the deputy general manager of the company; from September 2017 to present, he has served as the director and deputy general manager of the company; from October 2017 to present, he has served as the director and executive deputy general manager of the company.

(4) Mr. Wang Peng: born in 1985, Chinese nationality, no permanent residency abroad, bachelor degree. He used to be the manager of the business department of Taikang Pension Co., Ltd. Shenzhen Branch. From November 2011 to April 2014, he served as Deputy General Manager of Shenzhen Hongshang Health Management Co., Ltd.; from April 2014 to June 2016, he served as Deputy Investment Director of Shenzhen Times Bole Venture Capital Management Co., Ltd.; from September 2015 to April 2016, he served as Supervisor of Shinry Technologies Co., Ltd.; from December 2016 to present, he served as Investment Director of Shenzhen Tongchuangweiye Asset Management Co., Ltd.; From April 2017 to December 2021, he was a supervisor of Jiangsu Jitaike Electric Co., Ltd.; from January 2020 to present, he has been a director of Shenzhen Kungfu Robot Co., Ltd.; from May 2020 to present, he has been a director of Hubei Hanruijing Automotive Intelligent System Co., Ltd.; and from September 2017 to present, he has been a director of the company.

(5) Mr. Zhao Hongyu: born in January 1967, Chinese nationality, no permanent residency abroad, graduated from high school. He used to be the head of the plastic department of Shanghai Zhengfeng Industrial Co., Ltd., and the assistant to the general manager of Shenzhen Renzhi Plastic Hardware Products Co., Ltd. From July 2000 to December 2007, he was the manager of the manufacturing department of the company; from March 2014 to May 2018, he was the supervisor of Shenzhen Megami Technology Co., Ltd.; from January 2008 to present, he was the deputy general manager of the company; from October 2017 to present, he was the chairman of Vietnam Honor Electron. From September 2023 to present, he has served as a director of the company.

(6) Ms. Shang Yunsi: born in August 1989, Chinese nationality, holding a Hong Kong temporary identity card, no permanent residency abroad, and a master's degree. From May 2015 to September 2017, he served as the assistant to the chairman of the company; from October 2017 to present, he served as the secretary of the company's board of directors, and from September 2020 to present, he served as the deputy general manager of the company. From February 2021 to present, he has served as the director of Hangzhou Yundian. From April 2021 to present, he has been a director of Anshibo. From September 2023 to present, he has been a director of the company; from April 2021 to present, he has been a director of Jiangsu Solidpro Semiconductor Technology Co., Ltd.; and from June 2021 to present, he has been an executive partner of Shenzhen Jiwei Zeyuan Consulting Partnership (Limited Partnership).

(7) Mr. Yang Xiaoping, born in 1969, Chinese nationality, no permanent residency abroad, master of accounting, certified public accountant, senior accountant and senior auditor. He is currently an independent director of XGD Inc., a partner of Shenzhen Yongxin Ruihe Certified Public Accountants (special general partnership), an executive director and general manager of Shenzhen Guanzhong Management Consulting Co., Ltd.; from December 2022 to present, he has been an independent director of Shenzhen Longtech Smart Control Co., Ltd.; from September 2023 to present, he has been an independent director of the company.

(8) Mr. Li Zhiwei, born in July 1980, Chinese nationality, no permanent residency abroad, Ph.D. in Management (Accounting) from Xiamen University, a non-practicing member of the Chinese Institute of Certified Public Accountants, and a senior accountant. From May 2018 to February 2021, he was the Deputy Director of the Finance Department of Shenzhen Capital Operation Group Co., Ltd.; from March 2021 to May 2022, he was the Chief Financial Officer of Shenzhen Huanshui Investment Group Co., Ltd.; He joined Electric Connector Technology Co., Ltd. in June 2022 and has been the chief financial officer of Electric Connector Technology Co., Ltd. since September 2022. Since September 2023, he has been an independent director of the company. Since September 2023, he has been an independent director of Shenzhen Peicheng Electronic Technology Co., Ltd.

(9) Ms. You Xiao, born in 1981, Chinese nationality, has no permanent residency abroad. Graduated from Wuhan University majoring in law with a bachelor's degree. From March 2006 to December 2006, he was a lawyer assistant at Guangdong Shengdian Law Firm; from January 2007 to October 2013, he was a lawyer at Beijing Zhonglun (Shenzhen) Law Firm; from November 2013 to July 2015, he was a partner at Beijing Dacheng (Shenzhen) Law Firm; from July 2015 to June 2020, he was a senior partner at Shanghai Jintiancheng (Shenzhen) Law Firm; From June 2020 to present, he has been a partner of Beijing Zhonglun (Shenzhen) Law Firm. From October 2020 to present, he has been an independent director of Eastroc Beverage (Group) Co., Ltd. (605499). From June 2023 to present, he has been an independent director of Sunwoda Power Technology Co., Ltd. (unlisted). From September 2023 to present, he has been an independent director of the company.

2. Members of the Supervisory Board

(1) Ms. Wang Heng, born in 1976, Chinese nationality, no permanent residency abroad, bachelor degree. Since October 2007, he has been working as the manager of the material department of Shenzhen Honor Electronic Co., Ltd. From October 2022 to present, he has served as a supervisor of the company.

(2) Ms. Li Meiqin: born in July 1974, Chinese nationality, no permanent residency abroad, bachelor degree. From June 2009 to present, he has been the director of the company's procurement center. From September 2023 to present, he has served as the chairman of the company's supervisory board.

(3) Mr. Xu Zhanjun, born in November 1974, Chinese nationality, no permanent residency abroad, college degree, was the director of Shenzhen Honor Electron Engineering Department from 2017 to 2021, the director of Shenzhen Honor Electron Engineering Center from 2022 to 2023, responsible for production process technology and automation; in August 2023, he was the assistant to the general manager of Honor Electron Vietnam, responsible for the operation of Honor Electron Vietnam. From September 2023 to present, he has been a supervisor of the company.

3. Senior management

(1) Wang Heqiu: For your resume, please refer to "1. Board members" in this section

(2) Wang Yuetian: For details of his resume, please refer to "1. Board members" in this section

(3) Jiang Shuxing: For details of his resume, please refer to "1. Board members" in this section

(4) Zhao Hongyu: For your resume, please refer to "1. Board members" in this section

(5) Shang Yunsi: Please refer to "1. Board members" in this section for your resume.

(6) Mr. Zhao Peng: born in 1978, Chinese nationality, no permanent residency abroad, master degree. He used to be the head of the Quality Assurance Section of Delta Electronics (Dongguan) Co., Ltd. From September 2005 to May 2014, he served as the senior deputy manager of Quality Assurance of Qunguang Electric Energy Technology (Dongguan) Co., Ltd.; from May 2014 to present, he has been the deputy general manager of the company.

(7) Ms. Zhang Shuyuan: born in 1968, Chinese nationality, no permanent residency abroad, college degree, intermediate accountant. From May 1990 to October 2007, he worked as an accountant at BOC Jilin Branch; from November 2007 to June 2016, he worked as the Deputy Chief Financial Officer of the High-end Manufacturing Division of Shenzhen Hemei Instrument Co., Ltd.; from July 2016 to October 2022, he served as the Deputy Chief Financial Officer of the Company; from October 2022 to present, he served as the Chief Financial Officer of the Company; from February 2021 to present, he served as the Supervisor of Hangzhou Yundian; From April 2021 to present, he has served as a supervisor of Anshibo;

Serving in shareholder units

Applicable Not applicable

Name of incumbent	Name of shareholder unit	Positions held in shareholder units	Term start date	Term end date	Whether to receive remuneration allowance in the shareholder unit
Wang Heqiu	Shenzhen Genoli Information Consulting Co., Ltd	Executive Director	November 13, 1995		No
Wang Heqiu	Shenzhen Wangyuewang Investment Partnership (Limited Partnership)	Executive Partner	October 14, 2014		No
Wang Heqiu	Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership)	Executive Partner	March 29, 2017		No

Description of the position in the shareholder unit	No
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Serving in other units

Applicable ■ Not applicable

Name of incumbent	Other unit names	Positions held in other units	Term start date	Term end date	Whether to receive remuneration allowance in other units
Wang Peng	Shenzhen Tongchuangweiye Asset Management Co., Ltd	Investment Director	December 01, 2016		Yes
Wang Peng	Shenzhen Kung Fu Robot Co., Ltd	Director	January 01, 2020		No
Wang Peng	Beihan Ruijing Automobile Intelligent System Co., Ltd	Director	May 01, 2020		No
Shang Yunsi	Jiangsu Solidpro Semiconductor Technology Co., Ltd	Director	April 20, 2021		No
Shang Yunsi	Ren Shenzhen Jiwei Zeyuan Consulting Partnership (Limited Partnership)	Executive Partner	June 30, 2021		No
Shang Yunsi	Shanghai Anshibo Energy Technology Co., Ltd	Director	April 21, 2021		Yes
Wang Yuetian	Shanghai Anshibo Energy Technology Co., Ltd	General manager	April 21, 2021		No
Wang Yuetian	Suzhou Bodian Yunke Energy Technology Co., Ltd	General manager	August 04, 2021		No
Yang Xiao Ping	XGD Inc.	Independent director	May 07, 2020		Yes
Yang Xiao Ping	Shenzhen Yongxin Ruihe Certified Public Accountants (Special General Partnership)	Partner	December 24, 2020		Yes
Yang Xiao Ping	Shenzhen Guanzhong Management Consulting Co., Ltd	Executive Director and General Manager	June 08, 2017		No
Yang Xiao Ping	Shenzhen Longtech Smart Control Co., Ltd.	Independent director	December 05, 2022		Yes
Li Zhiwei	Electric Connector Technology Co., Ltd.	Financial officer	September 02, 2022		Yes

Li Zhiwei	Shenzhen Peicheng Electronic Technology Co., Ltd	Independent director	September 17, 2023		Yes
You Xiao	Served as Beijing Zhonglun (Shenzhen) Law Firm	Partner	June 16, 2020		Yes
You Xiao	Eastroc Beverage (Group) Co., Ltd	Independent director	October 10, 2020		Yes
You Xiao	Sunwoda Power Technology Co., Ltd	Independent director	June 07, 2023		Yes
Description of employment in other units	No				

Punishment by securities regulatory authorities of the company's current and resigned directors, supervisors and senior executives in the past three years during the reporting period

■ Applicable Not Applicable

3. Remuneration of directors, supervisors and senior management

Decision-making procedures, basis for determination, and actual payment of remuneration for directors, supervisors and senior executives

1. Decision-making procedures for the remuneration of directors, supervisors and senior management personnel

According to the relevant provisions of the Articles of Association, the remuneration of directors and supervisors shall be determined by the general meeting of shareholders, and the remuneration of senior management shall be determined by the board of directors.

2. Basis for determining the remuneration of directors, supervisors and senior executives

Remuneration is determined according to the company's remuneration system; independent directors determine remuneration according to the resolutions of the general meeting of shareholders.

3. Actual payment of remuneration for directors, supervisors and senior management

During the reporting period, the total remuneration of the company's directors, supervisors and senior management personnel (including those who left their posts) was RMB 15,347,600.

Remuneration of directors, supervisors and senior management during the reporting period

Unit: ten thousand yuan

Name	Sex	Age	Position	Employment status	Total pre-tax compensation received from the company	Whether to get paid from the company's affiliates
Wang Heqiu	Man	59	Chairman, General Manager	Incumbent	132.04	No
Wang Yuetian	Man	34	Vice Chairman	Incumbent	212.31	No
Shang Yunsi	Female	34	Director, Deputy General Manager, Secretary of the Board	Incumbent	182.51	Yes
Jiang Shuxing	Man	53	Director, Executive Deputy General Manager	Incumbent	160.98	No
Zhao Hongyu	Man	56	Director, Deputy General Manager	Incumbent	279.19	No
Zhao Peng	Man	46	Deputy General Manager	Incumbent	79.09	No
Zhang Shuyuan	Female	56	Financial officer	Incumbent	105.26	No
Li Xiulou	Man	43	Supervisor	Outgoing	100.2	No
Hao Liuquan	Man	45	Supervisor	Outgoing	88.63	No
Wang Hung Roger	Female	47	Employee Representative Supervisor	Incumbent	37.67	No
Li Meiqin	Female	50	Supervisor	Incumbent	62.98	No
Xu Zhanjun	Man	50	Supervisor	Incumbent	66.39	No
Chu Dazhi	Female	50	Independent director	Outgoing	5.67	No
Li Tianming	Man	52	Independent director	Outgoing	5.67	No
Yang Linan	Man	58	Independent director	Outgoing	5.67	No
Li Zhiwei	Man	44	Independent director	Incumbent	3.5	No
Yang Xiao Ping	Man	55	Independent director	Incumbent	3.5	No
You Xiao	Female	43	Independent director	Incumbent	3.5	No
Wang Peng	Man	38	Director	Incumbent	0	No
Total	--	--	--	--	1,534.76	--

Other information

■ Applicable Not Applicable

VIII. Directors' performance of duties during the reporting period

1. The situation of the board of directors during the reporting period

Session	Date	Disclosure date	Meeting resolutions
The first meeting of the second board of directors in 2023	February 28, 2023	March 02, 2023	"Announcement on Resolutions of the First Meeting of the Second Session of the Board of Directors in 2023" (Announcement No.: 2023-006) Disclosure URL: www.cninfo.com.cn
The second meeting of the second board of directors in 2023	April 04, 2023	April 07, 2023	Announcement on Resolutions of the Second Meeting of the Second Board of Directors in 2023 (Announcement No.: 2023-017) Disclosure URL: www.cninfo.com.cn
The third meeting of the second board of directors in 2023	April 25, 2023	Not applicable	The meeting reviewed and approved the "Proposal on the Company's 2023 First Quarter Report" with 7 votes in favor, 0 votes against, and 0 abstentions
The fourth meeting of the second board of directors in 2023	June 06, 2023	June 07, 2023	Announcement on Resolutions of the Fourth Meeting of the Second Session of the Board of Directors in 2023 (Announcement No.: 2023-036) Disclosure URL: www.cninfo.com.cn
The fifth meeting of the second board of directors in 2023	August 22, 2023	August 24, 2023	Announcement on Resolutions of the Fifth Meeting of the Second Session of the Board of Directors in 2023 (Announcement No.: 2023-054) Disclosure URL: www.cninfo.com.cn
The first meeting of the third board of directors in 2023	September 15, 2023	September 18, 2023	Announcement on Resolutions of the First Meeting of the Third Board of Directors in 2023 (Announcement No.: 2023-063) Disclosure URL: www.cninfo.com.cn
The second meeting of the third board of directors in 2023	September 28, 2023	September 29, 2023	Announcement on Resolutions of the Second Meeting of the Third Board of Directors in 2023 (Announcement No.: 2023-066) Disclosure URL: www.cninfo.com.cn
The third meeting of the third board of directors in 2023	October 23, 2023	Not applicable	The meeting reviewed and approved the "Proposal on the Company's 2023 Third Quarter Report" with 9 votes in favor, 0 votes against, and 0 abstentions

The fourth meeting of the third board of directors in 2023	December 04, 2023	December 06, 2023	Announcement on Resolutions of the Fourth Meeting of the Third Board of Directors in 2023 (Announcement No.: 2023-080) Disclosure URL: www.cninfo.com.cn
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2. Directors' attendance at the board of directors and general meeting of shareholders

Directors' attendance at the board of directors and general meeting							
Director's name	Number of times to participate in the board of directors during the reporting period	On-site attendance of the board of directors	Participation in the Board of Directors by Correspondence	Number of entrusted attendance at the board of directors	Number of absences from the board of directors	Whether to fail to attend board meetings in person for two consecutive times	Number of shareholders' meetings attended
Wang Heqiu	9	9	0	0	0	No	7
Wang Yuetian	9	0	9	0	0	No	7
Jiang Shuxing	9	9	0	0	0	No	7
Shang Yunsi	4	4	0	0	0	No	2
Zhao Hongyu	4	4	0	0	0	No	2
Wang Peng	9	0	9	0	0	No	7
Li Zhiwei	4	1	3	0	0	No	2
You Xiao	4	0	4	0	0	No	2
Yang Xiao Ping	4	1	3	0	0	No	2
Chu Dazhi	5	0	5	0	0	No	5
Yang Linan	5	0	5	0	0	No	5
Li Tianming	5	0	5	0	0	No	5

Explanation of failing to attend the board of directors in person for two consecutive times

No

3. Directors' objections to the company's relevant matters

Whether the directors raise objections to the company's related matters

■ whether

During the reporting period, the directors did not raise any objections to the company's relevant matters.

4. Other explanations for directors to perform their duties

Whether the directors' recommendations on the company have been adopted

Yes No

Directors' statement on whether the company's proposal was adopted or not adopted

During the reporting period, all directors of the company strictly followed the "Company Law", "Shenzhen Stock Exchange Stock Exchange Listing Rules" and other laws and regulations and the "Articles of Association", conscientiously performed their duties, performed their duties with due diligence, safeguarded the interests of the company, safeguarded the interests of all shareholders, especially small and medium shareholders, actively attended relevant meetings, carefully reviewed various proposals, and expressed relevant opinions on major issues of the company. In addition, in addition to actively understanding the company's production and operation, internal control and financial status, independent directors also maintain close contact with other directors, senior management and relevant staff of the company through on-site/online meetings, WeChat, etc., to keep abreast of the progress of major events of the company, grasp the company's operation dynamics, put forward suggestions and opinions on the company's operation and management, and often pay attention to relevant reports about the company, and effectively perform the duties of independent directors.

IX. The status of the special committees under the board of directors during the reporting period

Committee name	Membership	Number of meetings held	Date	Meeting content	Important comments and suggestions made	Other performance of duties	Details of the objection (if any)
Audit Committee of the Second Session of the Board of Directors	Chu Dazhi, Wang Yuetian, Li Tianming	4	March 24, 2023	1. Review the "Proposal on the Company's Engagement of an Accounting Firm for 2023"2. Review the "Proposal on the Preplan for Profit Distribution in 2022"3. Review the "Proposal on the Company's 2022 Internal Control Self-evaluation Report" 4. Review the "Proposal on the Company's 2022 Financial Final Report"	No	No	No
			April 21, 2023	1. Review the "Proposal on the Company's Report for the First Quarter of 2023"	No	No	No
			August 18, 2023	1. Review the "Proposal on the Company's 2023 Semi-Annual Report" and its summary 2. Review the "Proposal on the Company's 2023 Semi-Annual Report on the Deposit and Use of Funds Raised"	No	No	No
			September 14, 2023	1. Review the "Proposal on Appointment of the Company's Financial Leader"	No	No	No
Audit Committee of the Third Board of Directors	Yang Xiaoping, You Xiao, Wang Peng	1	October 20, 2023	1. Review the "Proposal on the Company's Report for the Third Quarter of 2023"	No	No	No

The Remuneration and Appraisal Committee of the Second Board of Directors	Li Tianming, Chu Dazhi, Wang Heqiu	3	March 24, 2023	1. Review the "2022 Annual General Manager Work Report"	No	No	No
			June 02, 2023	1. Deliberation on the "Proposal on Supplementary Company Changes and Handling Methods for Restricted Stock Incentive Plans in 2021"	No	No	No
			September 14, 2023	1. Review the "Proposal on the Remuneration Plan for Directors of the Third Board of Directors of the Company"2. Review the "Proposal on the Remuneration Plan for the Third Session of the Company's Senior Executives"	No	No	No
Strategy Committee of the Second Session of the Board of Directors	Wang Heqiu, Yang Linan, Chu Dazhi	1	March 24, 2023	1. Review the 2023 Business Plan	No	No	No
Nomination Committee of the Second Board of Directors	Yang Linan, Li Tianming, Jiang Shuxing	2	August 18, 2023	1. Review the "Proposal on the General Election of the Company's Board of Directors and the Nomination of Candidates for Non-Independent Directors of the Third Board of Directors"2. Review the "Proposal on the General Election of the Company's Board of Directors and the Nomination of Independent Director Candidates for the Third Board of Directors"	No	No	No
			September 14, 2023	1. Review the "Proposal on the Nomination of Senior Executives of the Company"	No	No	No

X .Work of the Board of Supervisors

Whether the company has risks during the supervision activities of the board of supervisors during the reporting period

■ whether

The Board of Supervisors has no objection to the supervision matters during the reporting period.

11. Company employees

1. Number of employees, professional composition and education level

Number of employees of the parent company at the end of the reporting period (persons)	1,464
Number of employees in major subsidiaries at the end of the reporting period (persons)	2,699
Total number of employees at the end of the reporting period (person)	4,163
The total number of salaried employees in the current period (person)	4,163
The number of retired employees (persons) to be borne by the parent company and its main subsidiaries	0
Professional composition	

Professional composition category	Professional composition (person)
Production staff	2,804
Salesperson	66
Technician	575
Financial officer	37
Administrative staff	113
Other personnel	568
Total	4,163
Level of education	
Education level category	Quantity (persons)
Bachelor degree and above	354
College	522
High school or technical secondary school	1,134
Junior high school and below	2,153
Total	4,163

2. Salary policy

The company has formulated and improved the "Salary Management Regulations" and "Performance Management Regulations" and other systems, and adopted appropriate assessment standards for all employees to assess and evaluate, and adopted monthly assessments, taking task performance and work attitude as assessment indicators. The assessment results are used as the basis for determining employee salaries, bonuses, and job promotion, demotion, and job transfer. The company continues to improve organizational efficiency by establishing a fair assessment and incentive mechanism.

The company follows the principles of legality, equality and voluntariness to sign written labor contracts with employees, and performs, alters, rescinds and terminates labor contracts in accordance with the law.

3. Training plan

The company has always attached great importance to talent training, followed the objective laws in the process of talent training and talent reserve, focused on cultivating management and technical backbones, and systematically absorbed various professional talents to form a tower structure with reasonable distribution of senior, middle and junior talents. The company formulates corresponding training plans according to development needs and employee levels. Internal training mainly includes employee induction training, pre-job operation training, skills training and safety production training. Technical personnel are the necessary guarantee for the company's sustainable development. The company has formulated clear career development plans and salary incentive policies for product development and technical personnel, and introduced a competition mechanism for talent cultivation to ensure the stability and work enthusiasm of the core staff.

4. Labor outsourcing

Applicable Not applicable

Total number of hours worked by labor outsourcing (hours)	1,859,939.54
Total remuneration paid for labor outsourcing (yuan)	36,382,242.08

12. The company's profit distribution and capitalization of capital reserves

During the reporting period, the profit distribution policy, especially the formulation, implementation or adjustment of the cash dividend policy

Applicable Not applicable

The company held the second meeting of the second board of directors in 2023 and the second meeting of the second board of supervisors in 2023 on April 4, 2023, and respectively reviewed and approved the "Proposal on the Profit Distribution Plan for 2022", following the principles of rewarding shareholders and sharing the company's operating results with shareholders, and under the condition of ensuring the healthy and sustainable development of the company. Based on the company's existing total share capital of 101,752,000 shares, excluding the company's current share balance of 1,655,300 shares in the company's special repurchase account (the company's shares held by the company through the special repurchase account will not participate in this profit distribution), a total of 100,096,700 shares will be distributed. Based on this, a cash dividend of RMB 0.91 (including tax) will be distributed to all shareholders for every 10 shares. A total of 9,108,799.70 yuan (tax included) in cash dividends was distributed. No bonus shares will be given out this year, and no capital reserve will be converted into share capital. According to the relevant provisions of the "Guidelines for Self-Regulatory Supervision of Listed Companies on the Shenzhen Stock Exchange No. 9 - Share Repurchase", if a listed company uses cash as the consideration and adopts the method of tender offer or centralized bidding to repurchase shares, the amount of repurchased shares implemented in the current year shall be regarded as the amount of cash dividends and included in the calculation of the relevant proportion of cash dividends for that year. The cash amount of RMB 62,600,687.11 (excluding transaction costs) paid by the company to repurchase shares through centralized bidding transactions in 2022 shall be regarded as the amount of cash dividends.

On April 28, 2023, the 2022 Annual General Meeting of Shareholders reviewed and approved the plan, and the implementation will be completed on May 26, 2023. For details, please refer to the Announcement on the Implementation of the 2022 Annual Equity Distribution (Announcement No.: 2023-034) disclosed by the company on May 19, 2023.

Special description of cash dividend policy	
Whether it complies with the provisions of the company's articles of association or the requirements of the resolutions of the general meeting of shareholders:	Yes
Whether the dividend standard and ratio are clear and clear:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors perform their duties and play their due role:	Yes
If the company does not distribute cash dividends, it shall disclose the specific reasons and the measures it plans to take in the next step to enhance the level of investor returns:	Not applicable
Whether small and medium shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected:	Yes
If the cash dividend policy is adjusted or changed, whether the conditions and procedures are compliant and transparent:	Not applicable

The company's profit distribution plan during the reporting period and the plan for capitalization of capital reserves are consistent with the relevant provisions of the company's articles of association and dividend management measures

Yes No Not applicable

The company's profit distribution plan during the reporting period and the plan for capitalization of capital reserves are in compliance with the relevant provisions of the company's articles of association.

Profit distribution and capitalization of capital reserve for the year

Bonus shares for every 10 shares (shares)	0
Dividend per 10 shares (yuan) (tax included)	3.40
Number of shares transferred per 10 shares (shares)	0
The share capital base of the distribution plan (shares)	99,544,700
Cash dividend amount (yuan) (tax included)	33,845,198.00
Amount of cash dividends in other ways (such as repurchasing shares) (yuan)	0.00
Total cash dividends (including other methods) (yuan)	33,845,198.00
Distributable profit (yuan)	563,126,910.24
The proportion of total cash dividends (including other methods) to total profit distribution	100.00%
The cash dividend distribution	

If the company's development stage is in the growth period and has major capital expenditure arrangements, when the profit distribution is carried out, the proportion of cash dividends in this profit distribution should be at least 20%
Detailed description of the plan for profit distribution or capital reserve transfer
Following the principle of rewarding shareholders and sharing the company's operating results with shareholders, and ensuring the healthy and sustainable development of the company, the company plans to distribute profits based on the total share capital minus the balance of shares in the company's repurchase account. The profit distribution plan for 2023 is: based on the company's existing total share capital of 101,200,000 shares, excluding the company's current share balance of 1,655,300 shares in the special repurchase account (the company's shares held by the company through the special repurchase account will not participate in this profit distribution), a total of 99,544,700 shares will be distributed to all shareholders. Based on this, a cash dividend of RMB 3.40 (including tax) will be distributed to all shareholders for every 10 shares. A total of 33,845,198.00 yuan (tax included) of cash dividends were distributed. No bonus shares will be given out this year, and no capital reserve will be converted into share capital.
If after the distribution plan is released and before the implementation, the total share capital of the company changes due to share repurchase, equity incentive exercise, etc., the total share capital that the company can participate in the equity distribution will be adjusted according to the principle of unchanged total distribution.

The company made a profit during the reporting period and the parent company's profit available for distribution to shareholders was positive, but no cash dividend distribution plan was proposed

■ Applicable Not Applicable

XIII. Implementation of the company's equity incentive plan, employee stock ownership plan or other employee incentive measures

Applicable ■ Not applicable

1. Equity incentives

The company held its first extraordinary general meeting of shareholders in 2023 on January 17, 2023, and reviewed and approved the "Proposal on Repurchase and Cancellation of Some Restricted Shares", agreeing to repurchase and cancel 18,000 Class I restricted shares that have been granted in this incentive plan but have not been lifted. After the completion of this repurchase and cancellation, the company's total share capital will be changed from 101,770,000 shares to 101,752,000 shares. On March 30, 2023, the company completed the repurchase and cancellation procedures of some Class I restricted shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

The Company held the second meeting of the second board of directors in 2023 and the second meeting of the second board of supervisors in 2023 on April 4, 2023, and held the 2022 annual general meeting of shareholders on April 28, 2023. The Proposal on Repurchase and Cancellation of Part of the Restricted Class I Restricted Shares that have been granted but not yet released from the restricted sale was reviewed and approved, and the Company agreed to repurchase and cancel part of the restricted Class I Restricted Shares that have been granted but not yet released from the restricted sale. After the completion of the repurchase and cancellation, the company's total share capital was changed from 101,752,000 shares to 101,566,200 shares. This change in share capital was verified by the capital verification report "Tian Vocational Zi [2023] No. 41911" issued by an international accounting firm (special general partnership).

The Company held the fourth meeting of the second board of directors in 2023 and the fourth meeting of the second board of supervisors in 2023 on June 6, 2023. On June 26, 2023, the third extraordinary general meeting of shareholders in 2023 reviewed and approved the "Proposal on Terminating the Implementation of the 2021 Restricted Stock Incentive Plan and Repurchase, Cancellation and Cancellation of Restricted Shares", and agreed to repurchase and cancel some of the restricted shares of Class I that have been granted but not yet lifted. After the completion of the repurchase and cancellation, the company's total share capital was changed from 101,566,200 shares to 101,200,000 shares. This change in share capital was verified by the capital verification report "Tian Vocational Zi [2023] No. 46345" issued by an international accounting firm (special general partnership).

Equity incentives for directors and senior executives

Applicable ■ Not applicable

Unit: share

Name	Position	Number of stock options held at the beginning of the year	Number of newly granted stock options during the reporting period	Number of exercisable shares during the reporting period	Number of shares exercised during the reporting period	The number of shares exercised during the reporting period and the exercise price (yuan/share)	Number of stock options held at the end of the period	Market price at the end of the reporting period (yuan/share)	Number of restricted shares held at the beginning of the period	The number of unlocked shares in the current period	Number of newly granted restricted shares during the reporting period	Grant price of restricted stock (yuan/share)	Number of restricted shares held at the end of the period
Wang Yuetian	Vice Chairman, Director	0	0	0	0	0	0	0	40,000	0	0	0	0
Total	--	0	0	0	0	--	0	--	40,000	0	0	--	0
Remarks (if any)	The Company held the fourth meeting of the second board of directors in 2023 and the fourth meeting of the second board of supervisors in 2023 on June 6, 2023, and held the third extraordinary general meeting of shareholders in 2023 on June 26, 2023. It reviewed and approved the "Proposal on Terminating the Implementation of the 2021 Restricted Stock Incentive Plan and Repurchase, Cancellation and Cancellation of Restricted Shares", and agreed to repurchase and cancel some of the restricted shares of Class I that have been granted but not yet lifted.												

Evaluation mechanism and incentives for senior managers

Not applicable.

2. Implementation of the Employee Stock Ownership Plan

■ Applicable Not Applicable

3. Other employee incentives

■ Applicable Not Applicable

XIV. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

(1) Further improve the construction of internal control system and strengthen internal audit supervision. To sort out and improve the functions and responsibilities of the audit committee of the board of directors and the internal audit department, strengthen the exercise of supervision power under the leadership of the board of directors, strengthen the supervision of the internal audit department on the implementation of the company's internal control system, and improve the depth and breadth of internal audit work.

(2) Strengthen the awareness and responsibility of internal control of the board of directors and key positions, fully understand the importance of internal control in improving enterprise management, enhancing risk prevention and control, and helping enterprises develop with high quality, clarify specific responsible persons, and play an exemplary role.

(3) Strengthen internal control training and learning. The company promptly organizes directors, supervisors and senior management personnel to participate in regulatory compliance learning to improve the management's corporate governance level. Targeted compliance training for middle-level managers and ordinary employees is carried out to improve risk prevention awareness, strengthen compliance management awareness, ensure the effective implementation of internal control systems, effectively improve the company's standardized operation level, and promote the company's healthy and sustainable development.

2. Details of major deficiencies in internal control discovered during the reporting period

■ whether

15. The company's management and control of its subsidiaries during the reporting period

Company name	Integration plan	Integration progress	Problems encountered in integration	Solutions taken	Resolution progress	Follow-up resolution plan
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

16. Internal control evaluation report or internal control audit report

1. Internal control evaluation report

Disclosure date of the full text of the internal control evaluation report	April 24, 2024	
Internal Control Evaluation Report Full Text Disclosure Index	Juchao Information Network (http://www.cninfo.com.cn/)	
The proportion of the total assets of the units included in the evaluation scope to the total assets of the company's consolidated financial statements	100.00%	
The proportion of the operating income of the unit included in the evaluation scope to the operating income of the company's consolidated financial statements	100.00%	
Defect identification standard		
Category	Financial report	Non-financial reporting

Qualitative criteria	<p>(I) Significant deficiencies: refers to a combination of one or more control deficiencies that may cause the enterprise to seriously deviate from the control objectives. The following characteristics are deemed to be major deficiencies: major deficiencies in the control environment; fraud by directors, supervisors, and senior management; material misstatements in the current financial reports, and internal control fails to detect such misstatements during operation; and the audit committee and internal audit department are ineffective in supervising the internal control of financial reporting. (II) Significant deficiencies: refers to a combination of one or more control deficiencies whose severity and economic consequences are lower than those of the major deficiencies but which may still cause the enterprise to deviate from the control objectives. If the following characteristics occur, it is deemed to be an important defect: Accounting standards selection and application of accounting policies; no corresponding control mechanism or no implementation and no corresponding compensatory control for the accounting treatment of unconventional or special transactions; one or more deficiencies in the control of the financial reporting process at the end of the period and no reasonable assurance that the prepared financial statements achieve true and accurate goals. (III) General Defects: Refers to control deficiencies other than major deficiencies and major deficiencies.</p>	<p>(I) Defects with the following characteristics should be identified as major defects: the company's business activities seriously violate national laws, administrative regulations and normative documents; the company's decision-making procedures are unscientific, such as decision-making mistakes, which lead to the failure of the company to achieve the expected goals; the lack of institutional control or institutional system failure in important businesses involving the company's production and operation; the failure of internal control over information disclosure, resulting in the company being publicly condemned by the regulatory authorities; The results of the internal control evaluation, especially the major defects or major defects, have not been rectified; a major loss has occurred, and the loss is caused by one or more control defects. (II) Defects with the following characteristics are identified as important defects: It caused general mistakes; the company violated the internal regulations of the company, resulting in losses; the loss of business personnel in key positions of the company was serious; negative news in the media spread to local areas; there were defects in the company's important business systems or systems; and the important defects in the company's internal control were not rectified. (III) Defects with the following characteristics are identified as general defects: the company's violation of internal regulations, but no losses; the company's general position and business personnel are seriously lost; the media has negative news, but the impact is not significant; the company's general business system or system has defects; the company's general defects have not been rectified.</p>
Quantitative standard	<p>(I) Major Defects: Misstatement $\geq 1.0\%$ of Total Assets; Misstatement $\geq 5\%$ of Total Profits (II) Major Defects: 0.5% of Total Assets \leq Misstatement $< 1.0\%$ of Total Assets; 3% of Total Profits \leq Misstatement $< 5\%$ of Total Profits (III) General Defects: Misstatement $< 0.5\%$ of Total Assets; Misstatement $< 3\%$ of Total Profits</p>	<p>With reference to the quantitative standard of internal control deficiencies in financial reporting, the quantitative standards for determining the importance of internal control deficiencies in non-financial reporting of listed companies are: (I) major deficiencies: loss amount $\geq 1.0\%$ of total assets; (II) major deficiencies: 0.5% of total assets \leq loss amount $< 1.0\%$ of total assets; and (III) general deficiencies: loss amount $< 0.5\%$ of total assets.</p>
Number of material deficiencies in financial reporting (pieces)		0
Number of material deficiencies in non-financial reporting (pieces)		0

Number of significant deficiencies in financial reporting (a)	0
Number of significant deficiencies in non-financial reporting (a)	0

2. Internal control audit report or assurance report

Internal Control Assurance Report

Deliberation opinion paragraph in the internal control assurance report	
We believe that Shenzhen Honor Electron maintained effective internal controls related to financial reporting in all material aspects as of December 31, 2023 in accordance with the Basic Norms of Enterprise Internal Control and related norms.	
Disclosure of internal control assurance report	Disclose
Disclosure date of the full text of the internal control assurance report	April 24, 2024
Internal Control Assurance Report Full Text Disclosure Index	Juchao Information Network (http://www.cninfo.com.cn/)
Internal Control Assurance Report Opinion Type	Standard unqualified opinion
Whether there are material deficiencies in non-financial reporting	No

Whether the accounting firm has issued a non-standard opinion of the internal control assurance report

whether

Whether the internal control assurance report issued by the accounting firm is consistent with the self-evaluation report of the board of directors

Yes No

17. The rectification of self-examination problems in the special action of listed company governance

During the reporting period, the company did not have any self-examination and rectification issues for the special actions of listed company governance.

Section 5 Environmental and Social Responsibility

I. Major environmental issues

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

■ whether

Administrative penalties for environmental issues during the reporting period

Company or subsidiary name	Reason for punishment	Violations	Penalty result	Impact on the production and operation of listed companies	The company's corrective measures
No	No	No	No	No	No

Refer to other environmental information disclosed by key pollutant discharge units

Not applicable

Measures taken to reduce its carbon emissions during the reporting period and their effects

■ Applicable Not Applicable

Reasons for not disclosing other environmental information

Neither the company nor its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department. During the reporting period, all production and operation of the company were carried out in strict compliance with relevant national laws and regulations, and actively cooperated with all inspections, and no punishment occurred.

II. Social Responsibility

During the reporting period, the company actively fulfilled its obligations and assumed social responsibilities. While continuously creating value for shareholders, the company also actively assumes responsibilities to shareholders, employees, partners, society and other stakeholders.

(1) Protection of shareholders' rights and interests

In strict accordance with the requirements of the Company Law, the Rules for the Listing of Stocks on the Growth Enterprise Market of the Shenzhen Stock Exchange and other relevant laws and regulations, the company continued to improve its corporate governance structure; continuously improved its internal control system and control system, and continuously improved its standardized operation level. The company has established a regulatory system based on the "Articles of Association", with the "Rules of Procedures of the General Meeting of Shareholders", "Rules of Procedures of the Board of Directors" and "Rules of Procedures of the Board of Supervisors" as the main structure, and has formed a governance system in which the general meeting of shareholders, the board of directors and the board of supervisors operate in a coordinated manner. In order to return investors reasonably, the company actively implements the profit distribution policy to ensure the return on investment of shareholders.

(2) Protection of employees' rights and interests

The company protects the legitimate rights and interests of employees in accordance with the national "Labor Law", "Labor Contract Law" and other laws and regulations, and provides various guarantees for employees' career development and rights protection. The company has established a standardized performance appraisal system and a complete salary management system. The company actively fulfills its social responsibilities and employs 13 disabled employees. At the same time, it pays attention to the health and safety of employees and enriches the professional life of employees.

The company attaches great importance to employee training and career planning to improve employees' own quality and comprehensive ability. The company has carried out various trainings for employees of different levels and categories, including induction training for new employees and skill improvement training for management personnel. Each employing department makes suggestions on training content according to different types of work, and formulates detailed training plans to promote talent development.

The company always puts the safety and health of employees in the first place, implements the "Safety Production Law", and always adheres to the principle of "safety first". The company actively promotes the construction of safety guarantee system, continuously introduces new safety management methods and safety concepts, improves employees' safety awareness, and ensures safe production.

(3) Protection of the rights and interests of suppliers and consumers

The development of the company is inseparable from the strong support and hand in hand of major suppliers. The company has formulated a complete procurement system and process, strictly abides by the relevant national laws and regulations on anti-bribery, anti-fraud, extortion and anti-money laundering, creates an honest and ethical business environment, and protects the legitimate rights and interests of every supplier.

III. Consolidate and expand the achievements of poverty alleviation and rural revitalization

In 2023, the company actively responded to the work requirements of the party committees and governments of Bao'an District, Shenzhen and Duan Yao Autonomous County, Guangxi, and carried out paired assistance to help the rural revitalization of the aided areas. It paired with the Jiaba Village Committee in Xia'ao Town, Duan Yao Autonomous County, Hechi City, and donated 20,000 yuan to jointly solve the difficulties in the process of rural revitalization and inject vitality into the village collective economy.

Section 6 Important Matters

I. Fulfillment of commitments

1. The company's actual controllers, shareholders, related parties, acquirers, and the company and other related parties have fulfilled their commitments during the reporting period and have not fulfilled their commitments as of the end of the reporting period

Applicable Not applicable

Promise	Promise party	Commitment type	Commitment content	Promise time	Commitment period	Performance
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Commitments made in an initial public offering or refinancing	Wang Heqiu, Wang Yulin, Shang Yunsi, Wang Yuetian, Wang Yuefei	Share Locking Commitment and Share Reduction Commitment	<p>1. Within 36 months from the date of listing of the company's shares on the stock exchange, neither transfer nor entrust others to manage the company's directly or indirectly held shares issued before the company's public offering, nor will the company repurchase such shares; If the closing price of the company's shares for 20 consecutive trading days is lower than the issue price within 6 months after listing, or the closing price of the shares at the end of the 6 months after listing is lower than the issue price, the lock-up period of the company's shares held directly or indirectly by me will be automatically extended by 6 months. 2. If I reduce my direct or indirect holdings of the company's shares before the public offering within two years after the expiration of the above lock-up period, the annual reduction shall not exceed 25% of the total number of company shares I directly or indirectly hold, and the reduction price shall not be lower than the issue price at the time of the public offering. 3. After the above-mentioned statutory or voluntary lock-up period expires, the shares transferred each year during my tenure as a director, supervisor or senior manager of the company shall not exceed 25% of the total shares held by me directly or indirectly; the shares held directly or indirectly by me shall not be transferred within half a year after resignation. 4. If I reduce my shareholding in the company, I will carry out the reduction in accordance with the relevant regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities, and actively cooperate with the company's announcement and other information disclosure work. 5. In the event of ex-rights or ex-dividends due to the distribution of cash dividends, bonus shares, capitalization, additional issuance of new shares, etc., the issue price or closing price shall be adjusted accordingly in accordance with relevant regulations. If I violate the above undertaking, the proceeds from the breach of the undertaking shall belong to the company; the company may withhold the remuneration (and allowances) payable to me in the year of breach of the undertaking and the following year, and I shall not transfer the shares of the company held directly or indirectly during the breach of the undertaking until I fulfill the undertaking. The above commitments will not be invalidated or terminated due to job changes, resignation, etc.</p>	August 17, 2020	2020-08-24 to 2025-08-23	Normal performance
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	<p>Shenzhen Genoli Information Consulting Co., Ltd., Shenzhen Wangyuewang Investment Partnership (Limited Partnership)</p>	<p>Share Locking Commitment and Share Reduction Commitment</p>	<p>1. Within 36 months from the date of listing of the company's shares on the stock exchange, the company shall not transfer or entrust others to manage the shares issued by the company directly or indirectly before the company's public offering of shares, nor shall the company repurchase such shares; If the closing price of the company's shares for 20 consecutive trading days is lower than the issue price within 6 months after listing, or the closing price of the shares at the end of the 6 months after listing is lower than the issue price, the lock-up period of the company's shares held directly or indirectly by the company will be automatically extended 6</p>	<p>August 17, 2020</p>	<p>2020-08-24 to 2025-08-23</p>	<p>Normal performance</p>
			<p>Months. 2. If the company reduces its holdings of the company's shares directly or indirectly held by the company before the public offering within two years after the expiration of the above lock-up period, the annual reduction shall not exceed 25% of the total number of company's shares directly or indirectly held by the company, and the reduction price shall not be lower than the issue price at the time of the public offering. The company will reduce its holdings in accordance with the relevant shareholding reduction regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities, and actively cooperate with the company's announcement and other information disclosure work. 3. In the event of ex-rights or ex-dividends due to the distribution of cash dividends, bonus shares, capitalization of shares, additional issuance of new shares, etc., the issue price or closing price shall be adjusted accordingly in accordance with relevant regulations. If the company violates the above commitments, the proceeds from the breach of the commitment belong to the company; the company may withhold the cash dividends payable to the company in the year of breach of the commitment and the following year. At the same time, the company may not transfer the company's shares held directly or indirectly during the breach of the commitment until the company fulfills the commitment.</p>			

	Fang Li, Yang Ji, Tibet Tongchuangweiye Venture Capital Co., Ltd	Share Locking Co mmitment and Share Reduction Commitme nt	1. Within 12 months from the date of listing of the company's shares on the stock exchange, the company shall not transfer or entrust others to manage the shares issued by the company directly or indirectly before the company's public offering of shares, nor shall the company repurchase such shares. 2. If I reduce my direct or indirect holdings of the company's shares before the public offering within two years after the expiration of the above lock-up period, the annual reduction shall not exceed 100% of the total number of shares of the company I directly or indirectly hold, and the reduction price shall not be lower than the latest audited net assets per share, and I will reduce my holdings in accordance with the relevant shareholding reduction regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities, and actively cooperate with the company's announcement and other information disclosure work. 3. In the event of ex-rights or ex-dividends due to the distribution of cash dividends, bonus shares, capitalization, additional issuance of new shares, etc., the net assets per share shall be adjusted accordingly in accordance with relevant regulations. If I violate the above undertaking, the proceeds from the breach of the undertaking shall belong to the company; the company may withhold the cash dividends payable to me in the year of breach of the undertaking and the following year, and I shall not transfer the shares of the company held directly or indirectly during the breach of the undertaking until I fulfill the undertaking.	August 17, 2020	2020-08-24 to 2023-08-23	Fulfilled
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	Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership)	Share reduction commitment	<p>1. Within 36 months from the date of listing of the company's shares on the stock exchange, the company shall not transfer or entrust others to manage the shares issued by the company directly or indirectly before the company's public offering of shares, nor shall the company repurchase such shares. 2. If the company reduces its holdings of the company's shares directly or indirectly held by the company before the public offering within two years after the expiration of the above-mentioned lock-up period, the annual reduction shall not exceed 25% of the total number of company's shares directly or indirectly held by the company, and the reduction price shall not be lower than the issue price at the time of the public offering. The company will reduce its holdings in accordance with the relevant shareholding reduction regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities, and actively cooperate with the company's announcement and other information disclosure work. 3. In the event of ex-rights or ex-dividends due to the distribution of cash dividends, bonus shares, capitalization, additional issuance of new shares, etc., the issue price shall be adjusted accordingly in accordance with relevant regulations. If the company violates the above undertakings, the proceeds from the breach of undertakings shall belong to the company; the company may withhold the breach of undertakings</p>	August 17, 2020	2020-08-24 to 2025-08-23	Normal performance
			The cash dividends payable to the company in the year and the following year, and the company shall not transfer the company's shares held directly or indirectly during the period of breach of the promise, until the company fulfills the promise.			

	Jiang Shuxing, Zhao Hongyu, Sun Chunping, Zhao Peng	Share Locking Commitment and Share Reduction Commitment	<p>1. Within 36 months from the date of listing of the company's shares on the stock exchange, the company shall not transfer or entrust others to manage the shares issued by the company directly or indirectly before the company's public offering of shares, nor shall the company repurchase such shares; If the closing price of the company's shares for 20 consecutive trading days is lower than the issue price within 6 months after listing, or the closing price of the shares at the end of the 6 months after listing is lower than the issue price, the lock-up period of the company's shares held directly or indirectly by me will be automatically extended for 6 months; within two years after the expiration of the above lock-up period, I will reduce my holdings of the company's shares directly or indirectly held before the public offering, and the reduction price shall not be lower than the issue price at the time of the public offering.</p> <p>2. After the above-mentioned statutory or voluntary lock-up period expires, the shares transferred each year during my tenure as a director, supervisor or senior manager of the company shall not exceed 25% of the total shares held by me directly or indirectly; the shares held directly or indirectly by me shall not be transferred within half a year after resignation. 3. If I reduce my shareholding in the company, I will carry out the reduction in accordance with the relevant regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities, and actively cooperate with the company's announcement and other information disclosure work. 4. In the event of ex-rights or ex-dividends due to the distribution of cash dividends, bonus shares, capitalization, additional issuance of new shares, etc., the issue price or closing price shall be adjusted accordingly in accordance with relevant regulations. If I violate the above undertaking, the proceeds from the breach of the undertaking shall belong to the company; the company may withhold the remuneration (and allowances) payable to me in the year of breach of the undertaking and the following year, and I shall not transfer the shares of the company held directly or indirectly during the breach of the undertaking until I fulfill the undertaking. The above commitments will not be invalidated or terminated due to job changes, resignation, etc.</p>	August 17, 2020	2020-08-24 to 2025-08-23	Sun Chunping has completed the performance, and others are performing normally
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	Shenzhen Tonghui Information Technology Consulting Partnership (Limited Partnership)	Share Locking Commitment and Share Reduction Commitment	Within 12 months from the date of listing of the company's shares on the stock exchange, the company shall not transfer or entrust others to manage the shares issued by the company directly or indirectly before the company's public offering of shares, nor shall the company repurchase such shares. If the company violates the above commitments, the proceeds from the breach of the commitment shall belong to the company; the company may withhold the cash dividends payable to the company in the year of breach of the commitment and the following year, and the company shall not transfer the company's shares held directly or indirectly during the breach of the commitment until the company fulfills the commitment.	August 17, 2020	2020-08-24 to 2021-08-23	Fulfilled
	Wang Xiaoli, Xie Ande	Share Locking Commitment and Share Reduction Commitment	1. Within 12 months from the date of listing of the company's shares on the stock exchange, the company shall not transfer or entrust others to manage the shares issued by the company directly or indirectly before the company's public offering of shares, nor shall the company repurchase such shares. 2. After the above-mentioned statutory or voluntary lock-up period expires, the shares transferred each year during my tenure as a director, supervisor or senior manager of the company shall not exceed 25% of the total shares of the company directly or indirectly held by me; the shares held directly or indirectly by me shall not be transferred within half a year after resignation. 3. If I reduce my shareholding in the company, it will be based on the relevant reductions made by the China Securities Regulatory Commission, the stock exchange and other regulatory authorities	August 17, 2020	2020-08-24 to 2021-08-23	Fulfilled
			Regulations are carried out, and actively cooperate with the company's announcement and other information disclosure work. If I violate the above undertaking, the proceeds from the breach of the undertaking shall belong to the company; the company may withhold the remuneration (and allowances) payable to me in the year of breach of the undertaking and the following year, and I shall not transfer the shares of the company held directly or indirectly during the breach of the undertaking until I fulfill the undertaking. The above commitments will not be invalidated or terminated due to changes in positions, resignation, etc.			

	Complete victory	Share Locking Commitment and Share Reduction Commitment	<p>1. Within 12 months from the date of listing of the company's shares on the stock exchange, the company shall not transfer or entrust others to manage the shares issued by the company directly or indirectly before the company's public offering of shares, nor shall the company repurchase such shares; If the closing price of the company's shares for 20 consecutive trading days is lower than the issue price within 6 months after listing, or the closing price of the shares at the end of the 6 months after listing is lower than the issue price, the lock-up period of the company's shares held directly or indirectly by me will be automatically extended for 6 months; within two years after the expiration of the above lock-up period, I will reduce my holdings of the company's shares directly or indirectly held before the public offering, and the reduction price shall not be lower than the issue price at the time of the public offering.</p> <p>2. After the above-mentioned statutory or voluntary lock-up period expires, the shares transferred each year during my tenure as a director, supervisor or senior manager of the company shall not exceed 25% of the total shares of the company directly or indirectly held by me; the shares held directly or indirectly by me shall not be transferred within half a year after resignation. 3. If I reduce my shareholding in the company, I will carry out the reduction in accordance with the relevant regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities, and actively cooperate with the company's announcement and other information disclosure work. 4. In the event of ex-rights or ex-dividends due to the distribution of cash dividends, bonus shares, capitalization, additional issuance of new shares, etc., the issue price or closing price shall be adjusted accordingly in accordance with relevant regulations. If I violate the above undertaking, the proceeds from the breach of the undertaking shall belong to the company; the company may withhold the remuneration (and allowances) payable to me in the year of the breach of the undertaking and the following year, and I shall not transfer the shares of the company held directly or indirectly during the breach of the undertaking until I fulfill the undertaking. The above commitments will not be invalidated or terminated due to job changes, resignation, etc.</p>	August 17, 2020	2020-08-24 to 2021-08-23	Fulfilled
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	Wang Yulin	Shareholder's commitment to act in concert	As one of the actual controllers of Shenzhen Honor Electronic Co., Ltd., I promise to vote in accordance with the articles of association of Shenzhen Shenzhen Honor Electronic Co., Ltd. when I exercise my voting rights through Shenzhen Gnoli Information Consulting Co., Ltd. If I fail to reach an agreement, I promise to take Wang Heqiu's opinion as the standard.	August 17, 2020	2020-08-17 to long term	Normal performance
	Wang Yulin, Wang Yuetian, Wang Yuefei, Shang Yunsi	Shareholder's commitment to act in concert	As one of the actual controllers of Shenzhen Honor Electronic Co., Ltd., I promise to vote in accordance with the partnership agreement of Shenzhen Wangyuewang Investment Partnership (Limited Partnership) when I exercise my voting rights in Shenzhen Honor Electronic Co., Ltd. through Shenzhen Wangyuewang Investment Partnership (Limited Partnership). If no consensus can be reached, I promise to take Wang Heqiu's opinion as the standard.	August 17, 2020	2020-08-17 to long term	Normal performance
	Shenzhen Genoli Information Consulting Co., Ltd., Shenzhen	About horizontal competition	The letter of commitment on reducing and regulating related party transactions serves as Shenzhen Honor Electronic Co., Ltd. (hereinafter referred to as	2020 08	2020-08-17	Normal performance

	<p>Shenzhen Wangyuewang Investment Partnership (Limited Partnership), Wang Heqiu, Wang Yulin, Wang Yuefei, Wang Yuetian, Shang Yunsi</p>	<p>Commitments in joint transactions and capital occupation</p>	<p>The controlling shareholder and actual controller of the "Company "), the company/I promise as follows: The company/I will reduce the transactions between the company/I and/or other companies controlled by the company/I and the company in accordance with the market principle of "fairness, justice, equivalence and compensation ", strictly abide by and respect the company's articles of association and related party transaction decision-making procedures, and in accordance with laws and regulations and the rules of the stock exchange (applicable after listing). Conduct fair transactions with the company at a fair price, and do not seek the illegal interests of the company/me and/or other companies controlled by the company/me. During the period when the enterprise/I and/or the company controlled by the enterprise/I (if any) have an associated relationship with the company, if I violate the above undertakings, I will bear corresponding legal liabilities, and the proceeds from the violation of the undertakings shall belong to the company.</p> <p>Letter of Commitment on Avoiding Horizontal Competition As the controlling shareholder and actual controller of Shenzhen Honor Electronic Co., Ltd. (hereinafter referred to as the "Company "), I/the company promises as follows: I/the company is not currently engaged in and will not engage in any business that directly or indirectly competes with the company (and its subsidiaries), nor will I engage in any other form of business that competes or competes with the company (and its subsidiaries); If there is a situation in the future that the business of the company that I/the company holds or shares in is in competition with the company (and its subsidiaries), I/the company will transfer all the capital or equity in such enterprises upon the request of the company, and give the company (and its subsidiaries) the right of first refusal to purchase such capital or equity under the same conditions. During the period when I/the company and the company controlled by me/the company (if any) have an associated relationship with the company, if I/the company violates the above commitments, I/the company will bear corresponding legal liabilities, and the proceeds from the violation of the commitments shall belong to the company.</p>	<p>Month 17</p>	<p>To long term</p>	
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	Shenzhen Honor Electronic Co., Ltd.	IPO Stable Share Price Commitment	<p>(1) Specific conditions for initiating stock price stabilization measures Within 36 months after the company's listing, if the closing price of the company's shares for 20 consecutive trading days is lower than the company's audited net assets per share at the end of the most recent year (if ex-rights or ex-dividends are made due to the distribution of cash dividends, bonus shares, capitalization of additional shares, additional issuance of new shares, etc., the net assets per share will be adjusted accordingly according to relevant regulations, the same below), the company's stock price stabilization measures will be initiated. (2) The method and sequence of stock price stabilization measures 1. The method of stock price stabilization measures: (1) the company repurchases shares; (2) the company's controlling shareholders increase their shareholdings of the company; (3) the company's directors (excluding independent directors, the same below) and senior management increase their shareholdings of the company. The prerequisites for choosing the aforementioned method: (1) cannot cause the company to fail to meet the statutory listing conditions; (2) cannot force the controlling shareholder to perform the obligation of tender offer. 2. The order of implementation of the stock price stabilization measures is as follows: first, the company repurchases shares; second, the controlling shareholder increases the company's shares; the measure will be activated when one of the following situations occurs: (1) the company cannot implement the stock repurchase or the stock repurchase proposal has not been approved by the company's shareholders meeting; (2) the company has implemented the stock repurchase plan but has not yet met the condition that the closing price of the company's shares for five consecutive trading days has been higher than the company's audited net assets per share at the end of the most recent year. Again</p>	August 17, 2020	2020-08-24 to 2023-08-23	Fulfilled
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		<p>Second, directors and senior executives increased their shareholdings in the company. The conditions for initiating this measure are: after the implementation of the plan to increase the shareholding of the company by the controlling shareholder, if the company's stock has not yet met the condition that "the closing price of the company's stock for 5 consecutive trading days has been higher than the company's audited net assets per share at the end of the most recent year". (3)</p> <p>Procedures for implementing stock price stabilization measures 1. Procedures for the company to repurchase shares (1) When the conditions for triggering the initiation of stock price stabilization measures are met, the company will propose and announce the stock price stabilization plan within 15 trading days, and disclose the review and implementation of the stock price stabilization measures in a timely manner. After the company's general meeting of shareholders approves the implementation of the stock repurchase proposal, the company will perform the corresponding announcement, filing and other obligations in accordance with the law. Under the statutory conditions, the repurchase shall be carried out in accordance with the price range and time limit specified in the resolution to implement the repurchase of shares; (2) The funds for the company to repurchase shares are its own funds, the price of the repurchased shares shall not exceed the audited net assets per share at the end of the most recent year, the amount of a single repurchase shall not be less than 5% of the net profit attributable to the issuer's shareholders in the previous year, and the total amount of funds used for share repurchase in a single fiscal year shall not exceed 20% of the issuer's net profit attributable to the issuer's shareholders in the previous year; The total amount of funds used by the company to repurchase shares shall not exceed the total amount of funds raised by the company's initial public offering; (3) During the implementation of the above repurchase plan, if the closing price of the company's shares is higher than the net assets per share for 5 consecutive trading days, the company's board of directors may make a resolution to terminate the share repurchase. The company's share repurchase shall comply with the relevant regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities on share repurchase. 2. Procedures for controlling shareholders to increase their shareholdings of the company (1) If the company does not implement the stock repurchase plan, the controlling shareholders of the company will submit a plan to increase their shareholdings to the company within 20 trading days from the date when the</p>			
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			<p>resolution not to implement the stock repurchase plan and the company will announce it; If the company has implemented the stock repurchase plan, the controlling shareholder of the company will submit a plan to increase the shareholding of the company to the company within 20 trading days from the date when the company's stock repurchase plan is completed or terminated, and the company will make an announcement; (2) The increase price shall not exceed the audited net assets per share at the end of the most recent year, the amount used for the increase of shares in a single time shall not be less than 20% of the cash dividend of the controlling shareholder of the company in the previous year, and the accumulated amount used for the increase of shares in a single fiscal year shall not exceed 40% of the cash dividend of the previous year. (3) During the implementation of the above-mentioned shareholding increase plan, if the closing price of the company's shares is higher than the net assets per share for 5 consecutive trading days, the controlling shareholder may terminate the shareholding increase. The increase in shares held by the controlling shareholder shall comply with the relevant regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities. 3. Procedures for directors and senior managers to increase their shareholdings of the company (1) When the conditions for directors and senior managers to increase their shareholdings of the company are triggered, the directors and senior managers will increase their shareholdings of the company within 90 trading days after the implementation of the plan for controlling shareholders to increase their shareholdings of the company. (2) The increase price shall not exceed the audited net assets per share at the end of the most recent year, and it shall be used for the increase of shares in a single time</p>			
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			<p>The funds of the company shall not be less than 15% of the actual after-tax remuneration received by such personnel in the previous year, and the accumulated funds used to increase shareholding in a single fiscal year shall not be more than 30% of the actual after-tax remuneration received in the previous year. (3) In the process of implementing the above-mentioned shareholding increase plan, if the closing price of the company's stock is higher than the net assets per share for 5 consecutive trading days, the directors and senior management may terminate the shareholding increase. The increase of shares held by directors and senior managers shall comply with the relevant regulations of the China Securities Regulatory Commission, stock exchanges and other regulatory authorities. The company promises: within 36 months after the company is listed, if the company newly hires directors and senior management personnel, the company will require these newly hired personnel to fulfill the corresponding commitments made by the directors and senior management personnel to stabilize the stock price when the company is listed. When the preconditions for initiating the stock price stabilization measures are met, if the company fails to implement the above-mentioned specific measures to stabilize the stock price, the company will publicly explain the specific reasons for not taking the above-mentioned stock price stabilization measures and apologize to all shareholders in the general meeting of shareholders and the newspapers designated by the China Securities Regulatory Commission.</p>			
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	<p>Shenzhen Genoli Information Consulting Co., Ltd., Shenzhen Wangyuewang Investment Partnership (Limited Partnership)</p>	<p>IPO Stable Share Price Commitment</p>	<p>In order to maintain the stability of the stock price of Shenzhen Honor Electronic Co., Ltd. (hereinafter referred to as the "Company" or the "Issuer ") after its listing, as the controlling shareholder of the issuer, the company now proposes measures to stabilize the stock price when the issuer's stock price is lower than the net assets per share within 3 years after its listing. The relevant content is as follows: within 36 months after the company's listing. If the closing price of the company's shares for 20 consecutive trading days is lower than the company's audited net assets per share at the end of the most recent year (if ex-rights or ex-dividends are made due to the distribution of cash dividends, bonus shares, capitalization, additional issuance of new shares, etc., the net assets per share will be adjusted accordingly according to relevant regulations, the same below), when one of the following situations exists: (1) the company is unable to implement the stock repurchase or the stock repurchase proposal has not been approved by the company's general meeting of shareholders; (2) Although the company has implemented the share repurchase plan, it has not yet met the condition that the closing price of the company's shares for 5 consecutive trading days has been higher than the company's audited net assets per share at the end of the most recent year. On the premise that it will not cause the company to fail to meet the statutory listing conditions or trigger the performance of the tender offer obligation, the company will take the following measures to stabilize the stock price in accordance with laws, regulations and the company's articles of association: (1) If the company does not implement the stock repurchase plan. The company will submit a plan to increase its shareholding to the company and announce it to the company within 20 trading days from the date when the conditions for triggering the initiation of stock price stabilization measures are met or the company's general meeting of shareholders makes a resolution not to implement the stock repurchase plan; if the company has implemented the stock repurchase plan, the company will submit a plan to increase its shareholding to the company and announce it by the company within 20 trading days from the date when the company's stock repurchase plan is completed or terminated; (2) The increase price shall not exceed the audited net assets per share at the end of the most recent year, the amount used for increasing shares in a single time shall not be less than 20% of the company's cash dividends in the previous year, and the accumulated amount used for increasing shares in a single fiscal year shall not exceed 40% of the company's cash dividends in the previous year. (2) In the process of</p>	<p>August 17, 2020</p>	<p>2020-08-24 to 2023-08-23</p>	<p>Fulfilled</p>
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			higher than the net assets per share for 5 consecutive trading days, the company may			
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			<p>To terminate the shareholding increase. The increased shareholding of the enterprise shall comply with the relevant regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities. The company promises: If the company fails to fulfill the above-mentioned commitment to increase shareholding, the company may withhold the cash dividends payable by the company in the current year and the following year that the company's shareholding increase obligation triggers, until the commitment is fulfilled. At the same time, the company shall not transfer the company's shares held directly or indirectly during the period of breach of the promise, until the company fulfills the promise.</p>			
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	<p>Jiang Shuxing, Quan Sheng, Shang Yunsi, Sun Chunping, Wang Heqiu, Wang Peng, Wang Yuetian, Zhao Hongyu, Zhao Peng</p>	<p>IPO Stable Share Price Commitment</p>	<p>In order to maintain the stability of the stock price of Shenzhen Honor Electronic Co., Ltd. (hereinafter referred to as the "Company" or the "Issuer ") after its listing, as a director (excluding independent directors, the same below)/senior manager of the issuer, I now propose measures to stabilize the stock price when the issuer's stock price is lower than the net assets per share within three years after its listing. The relevant content is as follows: Within 36 months after the company's listing. If the closing price of the company's shares for 20 consecutive trading days is lower than the company's audited net assets per share at the end of the most recent year (if ex-rights or ex-dividends are made due to the distribution of cash dividends, bonus shares, capitalization, additional issuance of new shares, etc., the net assets per share will be adjusted accordingly according to relevant regulations, the same below), after the implementation of the controlling shareholder's plan to increase the company's shares. If the company's shares have not yet met the condition that "the closing price of the company's shares for 5 consecutive trading days has been higher than the company's audited net assets per share at the end of the most recent year". On the premise that it will not cause the company to fail to meet the statutory listing conditions or trigger the performance of the tender offer obligation, I will take the following measures to stabilize the stock price in accordance with laws, regulations and the company's articles of association: (1) When the conditions for directors and senior managers to increase their shareholdings of the company are triggered, I will increase their shareholdings of the company within 90 trading days after the implementation of the plan for controlling shareholders to increase their shareholdings of the company. (2) The increase price shall not exceed the audited net assets per share at the end of the most recent year, the funds used for the increase of shares in a single time shall not be less than 15% of the actual after-tax salary received by the company in the previous year, and the accumulated funds used for the increase of shares in a single fiscal year shall not exceed 30% of the actual after-tax salary received in the previous year. (3) In the process of implementing the above-mentioned shareholding increase plan, if the closing price of the company's stock is higher than the net assets per share for 5 consecutive trading days, I can terminate the shareholding increase. The increase in my shareholding shall comply with the relevant regulations of the China Securities Regulatory Commission, the stock exchange and other regulatory authorities. I promise: If I fail to fulfill the above commitment to increase the shareholding, the company may withhold</p>	<p>August 17, 2020</p>	<p>2020-08-24 to 2023-08-23</p>	<p>Fulfilled</p>
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			increase the shareholding is triggered. At the same time, the company's shares (if any) held directly or indirectly by me will not be transferred until the corresponding measures to increase the shareholding of the company are taken according to the above commitment and the implementation is completed.			
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	Shenzhen Genoli Information Consulting Co., Ltd., Shenzhen Wangyuewang Investment Partnership (Limited Partnership), Wang Heqiu, Wang Yulin, Shang Yunsi, Wang	Commitment on matters related to information disclosure	This enterprise/I, as the controlling shareholder and actual controller of Shenzhen Honor Electronic Co., Ltd. (hereinafter referred to as the "Company"), hereby promise: 1. If the prospectus of the company's public offering of shares contains false records, misleading statements or major omissions, it will be important to judge whether the company meets the issuance conditions stipulated by law	August 17, 2020	2020-08-17 to long term	Normal performance
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	Yuetian, Yuefei Wang		<p>If it constitutes a significant and substantial impact, the company/I will urge the company to repurchase all new shares in the initial public offering in accordance with the law.</p> <p>The company/I will urge the company to make an announcement within 2 trading days after the above-mentioned illegal facts are identified by the China Securities Regulatory Commission, and to initiate the repurchase within 5 trading days after the above-mentioned matters are identified. If the company has been issued but not yet listed, the repurchase price shall be the issue price plus the interest on bank deposits during the same period; if the company has been listed, the repurchase shall be carried out at the market price and not lower than the issue price, and shall be implemented in accordance with the procedures stipulated in relevant laws, regulations and regulatory documents. If ex-rights and ex-dividends occur after the company is listed, the above-mentioned repurchase price and the number of repurchased shares shall be adjusted accordingly.</p> <p>2. If the prospectus of the company's public offering of shares contains false records, misleading statements or major omissions, causing investors to suffer losses in securities transactions, the company/I shall compensate investors for losses in accordance with the law. After the above-mentioned illegal facts are identified by the China Securities Regulatory Commission, the stock exchange or the judicial authority, the enterprise/I will actively compensate the investors for the economic losses suffered by them in accordance with the principles of simplifying procedures, actively negotiating, paying compensation in advance, and effectively protecting the interests of investors, especially small and medium investors, according to the measurable economic losses directly suffered by investors, and through mediation between third parties and investors and the establishment of investor compensation funds.</p> <p>3. If the company/I violate the above undertakings, the company/I will publicly apologize to the company's shareholders and public investors for failing to perform the</p>			
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2. 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 will explain that the assets or projects have reached the original profit forecast and the reasons for it

■ Applicable Not Applicable

II. Non-operating capital occupation of listed companies by controlling shareholders and other related parties

■ Applicable Not Applicable

During the reporting period, there was no non-operating capital occupation of the listed company by the controlling shareholder and other related parties.

III. Violation of external guarantees

■ Applicable Not Applicable

During the reporting period, the company had no illegal external guarantees.

IV. Explanation of the Board of Directors on the latest "non-standard audit report"

■ Applicable Not Applicable

V. Explanations of the board of directors, the board of supervisors and independent directors (if any) on the "non-standard audit report" of the accounting firm during the reporting period

■ Applicable Not Applicable

VI. Explanation of the Board of Directors on Accounting Policies, Changes in Accounting Estimates or Corrections of Significant Accounting Errors during the Reporting Period

Applicable ■ Not applicable

On November 30, 2022, the Ministry of Finance issued the "Accounting Standards for Business Enterprises Interpretation No. 16" (Caikuai [2022] No. 31, hereinafter referred to as Interpretation No. 16), which stipulates that "the Deferred Income Taxes related to assets and liabilities arising from a single transaction is not applicable to the accounting treatment of initial recognition exemption" and other related content, and requires it to be implemented from January 1, 2023. The company will be implemented from January 1, 2023, and the implementation of the relevant provisions of Interpretation No. 16 did not have a significant impact on the company's financial statements during the reporting period.

VII. Explanation of changes in the scope of consolidated statements compared with the financial report of the previous year

Applicable Not applicable

On October 17, 2023, the company signed an equity transfer agreement with Shanghai Anshibo. The company will increase the capital of Shanghai Anshibo through its 100.00% stake in Suzhou Bodian at a price of 100,000,000.00 yuan. After the transfer, the company will indirectly hold 100.00% of Suzhou Bodian through Shanghai Anshibo. The company transferred 60.00% equity of Shanghai Anshibo to Wang Yuetian and Shang Yunsi in November 2023, and lost control of Shanghai Anshibo and Suzhou Bodian on November 30, 2023.

On November 10, 2023, the company established Shanghai Honor Electron Electronic Technology Co., Ltd., with a registered capital of RMB 10 million and a paid-in capital of RMB 1.0 million. The registered address is Floor 2, Building 2, No. 715, Yingshun Road, Qingpu District, Shanghai. Shanghai Honor Electron Electronic Technology Co., Ltd. has been included in the scope of consolidation since its establishment. In line with the company's overall development strategy, Hangzhou Honor Electron, a wholly-owned subsidiary of the company, will be cancelled on December 7, 2023, and Hangzhou Honor Electron will no longer be included in the scope of consolidation from the date of cancellation.

VIII. Appointment and Dismissal of Accounting Firms

Current accounting firm

Name of domestic accounting firm	Tianzhi International Accounting Firm (Special General Partnership)
Remuneration of domestic accounting firms (ten thousand yuan)	166
Consecutive years of audit services of domestic accounting firms	4
The name of the certified public accountant of the domestic accounting firm	Zhang Lei, Fan Kelei
The continuous number of years of CPA audit services of domestic accounting firms	2

Whether to reappoint an accounting firm

whether

Hiring an internal control audit accounting firm, financial consultant or sponsor

Applicable Not applicable

During the year, the company hired Tianzhi International Accounting Firm (special general partnership) to issue an internal control assurance report, and the remuneration was included in the annual audit fee.

IX. Facing delisting after the disclosure of the annual report

Applicable Not Applicable

X .matters related to bankruptcy and reorganization

Applicable Not Applicable

During the reporting period, the company did not have any bankruptcy and reorganization related matters.

11. Major litigation and arbitration matters

Applicable Not applicable

Basic Information on Litigation (Arbitration)	Amount involved (ten thousand yuan)	Whether to form estimated liabilities	Litigation (Arbitration) Progress	Litigation (Arbitration) Results and Impact	Enforcement of Litigation (Arbitration) Judgments	Disclosure date	Disclosure Index
Other litigation matters that cumulatively do not meet the disclosure standards for major litigation	256.02	No	Still under trial	No significant impact	Still under trial		Not applicable

12. Punishment and rectification

■ Applicable Not Applicable

During the reporting period, there were no penalties and rectifications.

XIII. The integrity of the company and its controlling shareholders and actual controllers

■ Applicable Not Applicable

XIV. Significant related party transactions

1. Related party transactions related to daily operations

■ Applicable Not Applicable

During the reporting period, the company did not have any related transactions related to its daily operations.

2. Related party transactions arising from the acquisition and sale of assets or equity

Applicable ■ Not applicable

Related party	Relationship	Related transaction type	Related transaction content	Pricing Principles for Related Party Transactions	Book value of transferred assets (ten thousand yuan)	Appraisal value of transferred assets (ten thousand yuan)	Transfer price (ten thousand yuan)	Related party transaction settlement method	Transaction gains and losses (ten thousand yuan)	Disclosure date	Disclosure Index
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Wang Yuetian, Shang Yunsi	The actual controller of the company	Equity transfer	60% equity of Shanghai Anshibo and Suzhou Bodian	The transfer price of the target equity is determined according to the audit report and evaluation report	7,595.69	14,040	14,400	Cash transfer	13,498.2	September 29, 2023	For details, please refer to the "Announcement on Transfer of 60% Equity Interests in Wholly Owned Subsidiaries and Abandonment of Priority Subscription and Capital Contribution Rights and Related Transactions" (Announcement No. 2023-068) disclosed by the company on www.cninfo.com.cn
Reasons for the large difference between the transfer price and the book value or appraised value (if any)				Not applicable							
The impact on the company's operating results and financial status				The divestiture of the power module business of charging and swapping facilities, which continues to lose money, is conducive to reducing the company's financial pressure, optimizing the company's resource allocation, and strategically focusing on power adapters and data center power supplies. This equity transfer transaction has no significant impact on the company's operating results and financial status							
If the relevant transaction involves performance agreement, the performance realization during the reporting period				Not applicable.							

3. Related party transactions of joint foreign investment

Applicable Not applicable

Co-investor	Relationship	The name of the invested company	The main business of the invested company	Registered capital of the invested company	Total assets of the invested enterprise (ten thousand yuan)	Net assets of the invested company (ten thousand yuan)	Net profit of the invested enterprise (ten thousand yuan)
Wang Yuetian	The actual controller and vice chairman of the company	Hangzhou Yundian Technology Energy Co., Ltd	Mainly engaged in the research and development of various power products and customer service	100 million yuan	2,822.24	1,053.3	-3,989.22
The progress of major projects under construction of the invested enterprise (if any)		No					

4. Related creditor's rights and debts

Applicable Not Applicable

During the reporting period, there was no related creditor's rights and debts.

5. Transactions with financial companies that have an associated relationship

Applicable Not Applicable

There is no deposit, loan, credit or other financial business between the company and the financial company that has an associated relationship and the associated party.

6. The transactions between the financial company controlled by the company and related parties

Applicable Not Applicable

There is no deposit, loan, credit or other financial business between the financial company controlled by the company and related parties.

7. Other major related transactions

Applicable Not applicable

1. Regarding capital increase to holding subsidiaries and related transactions

The company held the fifth meeting of the second board of directors in 2023 on August 22, 2023 to review and approve the "Proposal on Capital Increase to Holding Subsidiaries and Related Transactions". In order to achieve the strategic development goals, according to the actual business development needs of the company, it was agreed to use its own funds and Mr. Wang Yuetian to increase the capital of Hangzhou Yundian Technology Energy Co., Ltd. in the same proportion as their respective shareholding ratios. For details, please refer to the "Announcement on Capital Increase to Holding Subsidiaries and Related Transactions" (Announcement No.: 2023-051) disclosed by the company on www.cninfo.com.cn on August 24, 2023. Hangzhou Yundian has completed the industrial and commercial change registration on September 12, 2023.

2. Regarding the transfer of 60% equity of the wholly-owned subsidiary and the waiver of the priority to subscribe and contribute capital and related transactions

The Company held the second meeting of the third board of directors in 2023 on September 28, 2023, and the fifth extraordinary general meeting of shareholders in 2023 on October 17, 2023, and reviewed and approved the "Proposal on Transfer of 60% Equity Interests in Wholly Owned Subsidiaries and Abandonment of Priority Subscription and Contribution Rights and Related Transactions". It is agreed that the company will transfer 60% of the equity of Shanghai Anshibo Energy Technology Co., Ltd. (hereinafter referred to as "Anshibo "), a wholly-owned subsidiary of the company, to related parties, Mr. Wang Yuetian and Ms. Shang Yunsi. For details, please refer to the "Announcement on Transfer of 60% Equity Interests in Wholly-owned Subsidiaries and Abandonment of Priority Subscription and Capital Contribution Rights and Related Transactions" (Announcement No.: 2023-068) disclosed by the company on www.cninfo.com.cn. The Announcement on the Progress of the Transfer of Equity Interests in Wholly Owned Subsidiaries (Announcement No.: 2023-079) was disclosed on November 28, 2023. As of November 28, 2023, the above-mentioned equity transfer and delivery and the corresponding industrial and commercial change registration procedures have been completed, the control has been transferred, and Anshibo and its wholly-owned subsidiary Suzhou Bodian Yunke Energy Technology Co., Ltd. (hereinafter referred to as "Suzhou Bodian ") will no longer be included in the scope of the company's consolidated statements.

Inquiries about the website for the disclosure of interim reports on major related-party transactions

Temporary announcement name	Interim Announcement Disclosure Date	Temporary announcement discloses website name
"Announcement on Capital Increase to Holding Subsidiaries and Related Transactions"	August 24, 2023	Juchao Information Network (www.cninfo.com.cn)
"Announcement on Transfer of 60% Equity of Wholly Owned Subsidiary and Abandonment of Priority Subscription and Capital Contribution Rights and Related Party Transactions"	September 29, 2023	Juchao Information Network (www.cninfo.com.cn)
"Announcement on the Progress of Transferring the Equity of a Wholly Owned Subsidiary"	November 28, 2023	Juchao Information Network (www.cninfo.com.cn)

15. Major contracts and their performance

1. Custody, contracting and leasing matters

(1) Custody

■ Applicable Not Applicable

There was no custody of the company during the reporting period.

(2) Contracting situation

■ Applicable Not Applicable

There was no contracting situation in the company during the reporting period.

(3) Leasing

Applicable ■ Not applicable

Lease description

In order to improve economic efficiency and expand its business scale, the company expanded the lease of some dormitories around the company during the reporting period to improve the living environment of employees; the leased sites in Dongguan and Ganzhou were used as warehouses for storage and turnover materials. The above rental prices were fair, and the lessor had no relationship with the company.

During the reporting period, the company leased some of its own properties to the outside world, the rental price was fair, and the lessee had no relationship with the company.

Projects that bring the company's profit and loss to more than 10% of the company's total profit in the reporting period

■ Applicable Not Applicable

During the reporting period, there were no leasing projects that brought the company's profits and losses to more than 10% of the company's total profits during the reporting period.

2. Major guarantee

Applicable ■ Not applicable

Unit: ten thousand yuan

External guarantees of the company and its subsidiaries (excluding guarantees to subsidiaries)										
Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Actual date	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
The company's guarantee to its subsidiaries										
Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Actual date	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
Dongguan Honor Electronics Co., Ltd	December 22, 2023	50,000	October 11, 2021	20,104	Joint and several liability guarantee			October 11, 2021 to October 10, 2029	No	No
Vietnam Honor Technology Co., Ltd	December 22, 2023	10,000	March 01, 2023	3,475.95	Joint and several liability guarantee			March 1, 2023 to December 31, 2023	Yes	No
During the reporting period, the total amount of guarantees approved for subsidiaries (B1)		130,000		The total actual amount of guarantees to subsidiaries during the reporting period (B2)		3,475.95				

The total amount of guarantees approved for subsidiaries at the end of the reporting period (B3)	130,000	The total balance of actual guarantees to subsidiaries at the end of the reporting period (B4)	20,104							
Subsidiary's guarantee to subsidiary										
Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Actual date	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
The total amount of company guarantees (that is, the total of the first three items)										
The total amount of approved guarantees during the reporting period (A1 + B1 + C1)	130,000	The total amount of guarantees actually incurred during the reporting period (A2 + B2 + C2)	3,475.95							
The total amount of guarantees approved at the end of the reporting period (A3 + B3 + C3)	130,000	Total actual guarantee balance at the end of the reporting period (A4 + B4 + C4)	20,104							
The proportion of the total actual guarantee (ie A4 + B4 + C4) to the company's net assets			10.82%							
Of which:										

Description of the specific circumstances of the use of compound guarantees

3. Entrusting others to manage cash assets

(1) Entrusted financial management

Applicable Not applicable

Overview of entrusted wealth management during the reporting period

Unit: ten thousand yuan

Specific type	Source of funds for entrusted financial management	Entrusted financing amount	Unexpired balance	Overdue amount	The amount of impairment accrued for overdue financial management
Bank wealth management products	Raise funds	5,400	0	0	0
Bank wealth management products	Own funds	10,000	0	0	0
Total		15,400	0	0	0

The specific situation of high-risk entrusted wealth management with large single amount or low security and poor liquidity

Applicable Not Applicable

Entrusted wealth management is expected to be unable to recover the principal or there are other situations that may lead to impairment

■ Applicable Not Applicable

(2) Entrusted loans

■ Applicable Not Applicable

There was no entrusted loan in the company during the reporting period.

4. Other major contracts

■ Applicable Not Applicable

There were no other major contracts in the company during the reporting period.

16. Explanation of other important matters

Applicable ■ Not applicable

On December 29, 2023, the Listing Review Committee of the Shenzhen Stock Exchange held the 92th Listing Review Committee Review Meeting in 2023 to review the company's application for issuing convertible corporate bonds to unspecified objects. According to the review results of the meeting, the company's application for the issuance of convertible corporate bonds to unspecified objects meets the issuance conditions, listing conditions and information disclosure requirements. For details, please refer to the "Announcement on the Application for Issuance of Convertible Corporate Bonds to Unspecified Objects Approved by the Listing Review Committee of the Shenzhen Stock Exchange" (Announcement No.: 2023-087) disclosed by the company on www.cninfo.com.cn on December 29, 2023

On February 7, 2024, the company disclosed on www.cninfo.com.cn the "Announcement on the Approval of Registration Approval from the China Securities Regulatory Commission for the Issuance of Convertible Corporate Bonds to Unspecified Objects" (Announcement No. 2024-003). The company received the "Approval for the Registration of Shenzhen Honor Electronic Co., Ltd.'s Issuance of Convertible Corporate Bonds to Unspecified Objects" issued by the China Securities Regulatory Commission (Zheng Jian Ke [2024] No. 219). The board of directors of the company will handle matters related to the issuance of convertible corporate bonds to unspecified objects within the specified time limit in accordance with the above-mentioned documents, the requirements of relevant laws and regulations and the authorization of the company's general meeting of shareholders. And timely fulfill the obligation of information disclosure.

17. Major events of the company's subsidiaries

■ Applicable Not Applicable

Section 7 Changes in Shares and Shareholders

I. Changes in shares

1. Changes in shares

Unit: share

	Before this change		Increase or decrease in this change (+, -)					After this change	
	Quantity	Proportion	Issue new shares	Bonus shares	Provident fund conversion	other	Subtotal	Quantity	Proportion
I. Shares subject to sales restrictions	62,673,277	61.58%				-62,673,277	-62,673,277	0	0.00%
1. State shareholding									
2. State-owned legal person holding shares									
3. Other domestic shares	62,661,277	61.57%				-62,661,277	-62,661,277	0	0.00%
Of which: domestic legal person holdings	62,103,277	61.02%				-62,103,277	-62,103,277	0	0.00%
Domestic natural person holdings	558,000	0.55%				-558,000	-558,000	0	0.00%
4. Foreign shareholding	12,000	0.01%				-12,000	-12,000	0	0.00%
Of which: overseas legal person holdings									
Shares held by foreign natural persons	12,000	0.01%				-12,000	-12,000	0	0.00%
II. Unrestricted Shares	39,096,723	38.42%				62,103,277	62,103,277	101,200,000	100.00%
1. RMB ordinary shares	39,096,723	38.42%				62,103,277	62,103,277	101,200,000	100.00%
2. Domestically listed foreign shares									

3. Foreign shares listed overseas									
4. Other									
III. Total number of shares	101,770,000	100.00%				-570,000	-570,000	101,200,000	100.00%

Reasons for changes in shares

Applicable Not applicable

1. The company repurchased and cancelled some shares of the 2021 restricted stock incentive plan and terminated the 2021 restricted stock incentive plan and repurchased and cancelled the relevant shares. The details are as follows:

Among the incentive objects granted by the company for the first time in this incentive plan, a total of 7 people resigned due to personal reasons. According to the relevant provisions of the 2021 Restricted Stock Incentive Plan and the Measures for the Evaluation and Management of the Implementation of the 2021 Restricted Stock Incentive Plan, the above-mentioned people no longer meet the incentive conditions. On January 17, 2023, the company held its first extraordinary general meeting of shareholders in 2023 to consider and pass the "Proposal on Repurchase and Cancellation of Some Restricted Shares". It is agreed that the company will repurchase and cancel the first class of restricted shares that have been granted but not yet lifted under this incentive plan, a total of 18,000 shares.

The company held the second meeting of the second board of directors in 2023 and the second meeting of the second board of supervisors in 2023 on April 4, 2023, and reviewed and approved the "Proposal on Repurchase and Cancellation of Part of the First Class Restricted Shares That Have Been Granted but Not Released from Sales Restrictions". According to the provisions of the 2021 Restricted Stock Incentive Plan of the Equity Incentive Management Measures of Listed Companies and the authorization of the third extraordinary general meeting of shareholders in 2021. It is agreed that the company will repurchase and cancel some of the restricted shares of the first class that have been granted but not yet lifted. On April 28, 2023, the company held the 2022 annual general meeting of shareholders, and reviewed and approved the "Proposal on Repurchase and Cancellation of Part of the First Class Restricted Shares That Have Been Granted but Not Released." After the completion of the repurchase and cancellation, the company's total share capital was changed from 101,752,000 shares to 101,566,200 shares.

The Company held the fourth meeting of the second board of directors in 2023 and the fourth meeting of the second board of supervisors in 2023 on June 6, 2023. The Proposal on Terminating the Implementation of the 2021 Restricted Stock Incentive Plan and Repurchase, Cancellation and Cancellation of Restricted Shares was reviewed and approved. The Board of Directors, in accordance with the provisions of the 2021 Restricted Stock Incentive Plan of the Listed Companies' Equity Incentive Management Measures and the authorization of the third extraordinary general meeting of shareholders in 2023. It is agreed that the company will repurchase and cancel some of the restricted shares of the first class that have been granted but not yet lifted. On June 26, 2023, the company held the third extraordinary general meeting of shareholders in 2023, and reviewed and approved the Proposal on Terminating the Implementation of the 2021 Restricted Stock Incentive Plan and Repurchase, Cancellation and Cancellation of Restricted Shares. After the completion of the repurchase and cancellation, the company's total share capital was changed from 101,566,200 shares to 101,200,000 shares.

2. On September 12, 2023, the company disclosed the "Announcement on the Listing and Circulation of the Shares Issued Before the Initial Public Offering" (2023-059) on www.cninfo.com.cn. The restricted shares listed and traded this time are all the shares issued before the company's initial public offering, and the restricted period is 36 months from the date of listing of the company's shares. A total of 3 shareholders have applied for the removal of restricted shares, and the total number of restricted shares held by them is 62,103,277, which will be listed for circulation on September 14, 2023.

Approval of changes in shares

Applicable Not applicable

The company held the ninth meeting of the second board of directors in 2022 and the seventh meeting of the second board of supervisors in 2022 on December 26, 2022, and held the first extraordinary general meeting of shareholders in 2023 on January 17, 2023. It reviewed and approved the "Proposal on Repurchase and Cancellation of Some Restricted Shares", and agreed to repurchase and cancel the first class of restricted shares granted under this incentive plan but not yet lifted, totaling 18,000 shares.

The Company held the second meeting of the second board of directors in 2023, the second meeting of the second board of supervisors in 2023 on April 4, 2023, and the 2022 annual general meeting of shareholders on April 28, 2023, at which the "Proposal on Repurchase and Cancellation of Part of the Restricted Shares of Class I that have been granted but not yet lifted from the restrictions on sales" was reviewed and approved. After the completion of the repurchase and cancellation, the company's total share capital was changed from 101,752,000 shares to 101,566,200 shares.

On June 6, 2023, the company held the fourth meeting of the second board of directors in 2023 and the fourth meeting of the second board of supervisors in 2023. On June 26, 2023, the company held the third extraordinary general meeting of shareholders in 2023, at which the "Proposal on Terminating the Implementation of the 2021 Restricted Stock Incentive Plan and Repurchase, Cancellation and Cancellation of Restricted Shares" was reviewed and approved. After the completion of the repurchase and cancellation, the company's total share capital was changed from 101,566,200 shares to 101,200,000 shares.

Transfer of share changes

Applicable Not applicable

On March 31, 2023, the company disclosed the "Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares" on www.cninfo.com. The total share capital of the company was changed from 101,770,000 shares to 101,752,000 shares. On March 30, 2023, the company completed the repurchase and cancellation procedures of some Class I restricted shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

On June 26, 2023, the company held the third extraordinary general meeting of shareholders in 2023 to consider and approve the "Proposal on Terminating the Implementation of the 2021 Restricted Stock Incentive Plan and Repurchase, Cancellation and Cancellation of Restricted Shares". After the completion of the repurchase and cancellation, the company's total share capital was changed from 101,566,200 shares to 101,200,000 shares. After review and confirmation by China Securities Depository and Clearing Co., Ltd. Shenzhen Branch, the company's restricted stock repurchase and cancellation was completed on October 17, 2023, and the company's total share capital was changed from 101,752,000 shares to 101,200,000 shares.

The impact of share changes on financial indicators such as basic and diluted earnings per share, net assets per share attributable to common shareholders of the company in the most recent year and the most recent period is applicable Not applicable

The impact of share changes on financial indicators such as basic and diluted earnings per share and net assets per share attributable to the company's common shareholders in the most recent year and the most recent period is detailed in "Section 5. Key Accounting Data and Financial Indicators".

Other disclosures that the company deems necessary or required by securities regulators

Applicable Not Applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: share

Name of shareholder	Number of restricted shares at the beginning of the period	Increase the number of restricted shares in the current period	The number of shares lifted in the current period	Number of restricted shares at the end of the period	Reason for restriction	Release date
Shenzhen Wangyuewang Investment Partnership (Limited Partnership)	29,234,023	0	29,234,023	0	Not applicable	Not applicable

Shenzhen Genoli Information Consulting Co., Ltd	29,234,023	0	29,234,023	0	Not applicable	Not applicable
Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership)	3,635,231	0	3,635,231	0	Not applicable	Not applicable
Other shareholders with restricted shares	570,000	0	570,000	0	Not applicable	Not applicable
Total	62,673,277	0	62,673,277	0	--	--

II. Securities Issuance and Listing

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

■ Applicable Not Applicable

2. Explanation of changes in the total number of shares of the company and the structure of shareholders, and changes in the structure of assets and liabilities of the company

Applicable ■ Not applicable

During the reporting period, the company repurchased and cancelled 570,000 shares under the 2021 restricted stock incentive plan, and the company's total share capital was changed from 101,770,000 shares to 101,200,000 shares.

3. Existing internal employee shares

■ Applicable Not Applicable

III. Shareholders and actual controllers

1. The number of shareholders and shareholding of the company

Unit: share

Total number of common shareholders at the end of the reporting period	9,487	The total number of ordinary shareholders at the end of the previous month before the disclosure date of the annual report	13,874	The total number of preferred shareholders with voting rights restored at the end of the reporting period, if any (see Note 9)	0	The total number of preferred shareholders (if any) whose voting rights were restored at the end of the previous month before the disclosure date of the annual report (see Note 9)	0	Total number of shareholders holding special voting shares (if any)	0
Shareholding of shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)									
Name of shareholder	Nature of Shareholders	Shareholding ratio	Number of shares held at the end of the reporting period	Changes during the reporting period	Number of shares subject to sales restrictions	The number of shares held without selling restrictions	Pledge, mark or freeze		
							Share status	Quantity	
Shenzhen Wangyue Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	28.89%	29,234,023	0	0	29,234,023	Not applicable	0	
Shenzhen Genoli Information Consulting Co., Ltd	Domestic non-state-owned legal person	28.89%	29,234,023	0	0	29,234,023	Pledge	12,200,000	
Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.59%	3,635,231	0	0	3,635,231	Not applicable	0	
China Life Insurance Co., Ltd.-own funds	other	1.93%	1,953,255	96100	0	1,953,255	Not applicable	0	
Hong Kong Securities Clearing Company Limited	Foreign legal person	1.78%	1,801,849	1801849	0	1,801,849	Not applicable	0	
Tibet Tongchuang Weiye Venture Capital Co., Ltd	Domestic non-state-owned legal person	1.55%	1,566,600	-1627500	0	1,566,600	Not applicable	0	

Wells Fargo Fund-China Life Insurance Company Limited-Traditional Insurance-Wells Fargo Fund China Life Shares Growth Stock Traditional Available-for-sale Single Asset Management Plan	other	1.16%	1,178,743	564465	0	1,178,743	Not applicable	0
Wells Fargo Fund-China Life Insurance Co., Ltd. - Participating Insurance-Wells Fargo Fund China Life Shares Growth Equity Portfolio Single Asset Management Plan (Available for Sale)	other	1.16%	1,178,655	578090	0	1,178,655	Not applicable	0
Yang Ji	Domes tic natural person s	1.07%	1,084,497	922699	0	1,084,497	Not applicable	0

Industrial and Commercial Bank Of China Ltd. - China-Europe Value Smart Return Hybrid Securities Investment Fund	other	0.85%	855,539	-2878286	0	855,539	Not applicable	0
Strategic investors or general legal persons due to the placement of new	No							
Shares become the top 10 shareholders, if any (see Note 4)								
Description of the above-mentioned shareholders' connected relationship or concerted action	The actual controllers of the company are Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsi and Wang Yuefei, and they act in concert. Among them, Wang Heqiu and Wang Yulin control 28.89% of the company's shares through Shenzhen Genoli Information Consulting Co., Ltd., Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsi and Wang Yuefei control 28.89% of the company's shares through Shenzhen Wangyuewang Investment Partnership (Limited Partnership), and Wang Heqiu is the executive partner and actual controller of Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership). In addition, the company does not know whether there is an associated relationship among the above-mentioned other shareholders, nor whether they are persons acting in concert as stipulated in the Administrative Measures for the Disclosure of Information Disclosure of Changes in Shareholding of Listed Companies.							
Explanation of the above shareholders involved in entrusted/entrusted voting rights and abstention from voting rights	No							
Special instructions (if any) for the existence of special repurchase accounts among the top 10 shareholders (see Note 10)	The company repurchased 1,655,300 shares through a centralized auction transaction through a special securities repurchase account, accounting for 1.64% of the company's current total share capital							
Shareholding of the top 10 shareholders with unrestricted sales conditions								
Name of shareholder	The number of unrestricted shares held at the end of the reporting period	Type of shares						
		Type of shares	Quantity					
Shenzhen Wangyuewang Investment Partnership (Limited Partnership)	29,234,023	RMB ordinary shares	29,234,023					

Shenzhen Genoli Information Consulting Co., Ltd	29,234,023	RMB ordinary shares	29,234,023
Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership)	3,635,231	RMB ordinary shares	3,635,231
China Life Insurance Co., Ltd.-own funds	1,953,255	RMB ordinary shares	1,953,255
Hong Kong Securities Clearing Company Limited	1,801,849	RMB ordinary shares	1,801,849
Tibet Tongchuang Weiye Venture Capital Co., Ltd	1,566,600	RMB ordinary shares	1,566,600
Wells Fargo Fund-China Life Insurance Company Limited-Traditional Insurance-Wells Fargo Fund China Life Shares Growth Stock Traditional Available-for-sale Single Asset Management Plan	1,178,743	RMB ordinary shares	1,178,743
Wells Fargo Fund-China Life Insurance Co., Ltd. - Participating Insurance-Wells Fargo Fund China Life Shares Growth Equity Portfolio Single Asset Management Plan (Available for Sale)	1,178,655	RMB ordinary shares	1,178,655
Yang Ji	1,084,497	RMB ordinary shares	1,084,497
ICBC	855,539	RMB	855,539
Co., Ltd.-Sino-European Value Smart Return Hybrid Securities Investment Fund		Common stock	

Description of the associated relationship or concerted action among the top 10 shareholders of tradable shares without tradable shares, and between the top 10 shareholders of tradable shares without tradable shares and the top 10 shareholders	The actual controllers of the company are Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsi and Wang Yuefei, and they act in concert. Among them, Wang Heqiu and Wang Yulin control 28.89% of the company's shares through Shenzhen Genoli Information Consulting Co., Ltd., Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsi and Wang Yuefei control 28.89% of the company's shares through Shenzhen Wangyuewang Investment Partnership (Limited Partnership), and Wang Heqiu is the executive partner and actual controller of Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership). In addition, the company does not know whether there is an associated relationship among the above-mentioned other shareholders, nor whether they are persons acting in concert as stipulated in the Administrative Measures for the Disclosure of Information Disclosure of Changes in Shareholding of Listed Companies.
Description of shareholders participating in margin financing and securities lending business (if any) (see Note 5)	No

The top ten shareholders participated in the refinancing business and lent shares

■ Applicable Not Applicable

The top ten shareholders have changed from the previous period

■ Applicable Not Applicable

Whether the company has a voting rights difference arrangement

■ Applicable Not Applicable

Whether the company's top 10 common shareholders and top 10 common shareholders with unrestricted sales conditions conducted agreed repurchase transactions during the reporting period

■ whether

The top 10 common shareholders of the company and the top 10 common shareholders with unrestricted shares did not conduct agreed repurchase transactions during the reporting period.

2. The controlling shareholder of the company

Nature of controlling shareholder: natural person holding

Controlling shareholder type: legal person

Name of controlling shareholder	Legal representative/person in charge of the unit	Date of establishment	Organization code	Main business

Shenzhen Genoli Information Consulting Co., Ltd	Wang Heqiu	November 13, 1995	914403001923931279	Information consulting; marketing planning; business information consulting; business management consulting; corporate image planning; exhibition planning. (Except for projects prohibited by laws, administrative regulations, and decisions of the State Council, restricted projects can only be operated after obtaining permits)
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	Wang Heqiu	October 14, 2014	91440300319383058K	Equity investment, investment management, investment consulting, investment and establishment of industries (except for projects prohibited by laws, administrative regulations, and decisions of the State Council, and restricted projects can only be operated after obtaining permits).
Equity situation of other domestic and overseas listed companies that the controlling shareholder controls and participates in during the reporting period	No			

Change of controlling shareholder during the reporting period

■ Applicable Not Applicable

The controlling shareholder of the company did not change during the reporting period.

3. The actual controller of the company and those acting in concert

Nature of actual controller: domestic natural person

Type of actual controller: natural person

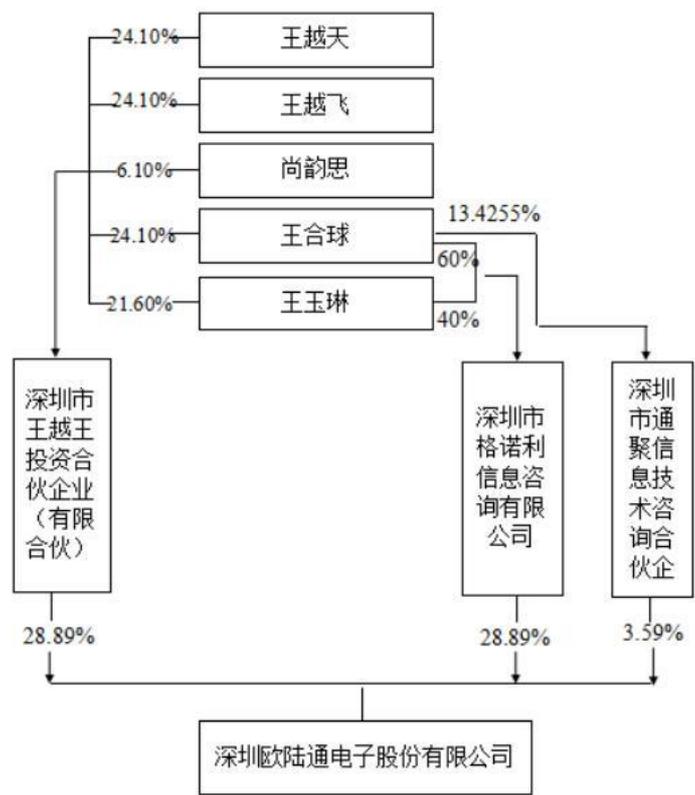
Name of actual controller	Relationship with the actual controller	Nationality	Whether to obtain the right of abode in other countries or regions
Wang Heqiu	Myself	China	No
Wang Yuetian	Myself	China	Yes
Wang Yulin	Myself	China	No
Wang Yuefei	Myself	China	Yes
Shang Yunsi	Myself	China	No
Main occupation and position	Wang Heqiu is the chairman and general manager of the company; Wang Yuetian is the vice chairman of the company; Shang Yunsi is the director, deputy general manager and secretary of the board of directors of the company. Wang Yulin is a director of Hong Kong Honor Electron but does not serve in the company, and Wang Yuefei does not serve in the company.		
Domestic and overseas listed companies that have held holdings in the past 10 years	No		

Change of actual controller during the reporting period

■ Applicable Not Applicable

The actual controller of the company did not change during the reporting period.

Block diagram of the property rights and control relationship between the company and the actual controller



The actual controller controls the company through trust or other asset management methods

■ Applicable Not Applicable

4. The accumulated pledged shares of the company's controlling shareholder or the largest shareholder and its concerted parties account for 80% of the company's shares held by them

■ Applicable Not Applicable

5. Other corporate shareholders holding more than 10% of the shares

■ Applicable Not Applicable

6. Restricted shareholding reduction of controlling shareholders, actual controllers, restructuring parties and other commitment entities

■ Applicable Not Applicable

IV. The specific implementation of share repurchase during the reporting period

Progress in the implementation of share repurchase

■ Applicable Not Applicable

The progress of the implementation of the use of centralized bidding transactions to reduce the shareholding of repurchased shares

■ Applicable Not Applicable

**Section 8 Relevant
Information on
Preferred Shares**

■ Applicable Not Applicable

During the reporting period,
the company did not have
preferred shares.

Section 9 Bond Related Information

■ Applicable Not
Applicable

Section X Financial Report

I. Audit report

Type of audit opinion	Standard unqualified opinion
Audit report signing date	April 22, 2024
Audit institution name	Tianzhi International Accounting Firm (Special General Partnership)
Audit report number	Tian Occupation Word [2024] No. 21294
CPA name	Zhang Lei, Fan Kelei

Audit report body

I. Audit opinion

We have audited the financial statements of Shenzhen Honor Electronic Co., Ltd. (hereinafter referred to as "Shenzhen Honor Electron"), including the consolidated and parent company balance sheet at December 31, 2023, the consolidated and parent company income statement for 2023, the consolidated and parent company cash flow statement, the consolidated and parent company statement of changes in shareholders' equity, and the notes to the financial statements.

We believe that the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material respects and fairly reflect the consolidated financial position of Shenzhen Honor Electron on December 31, 2023 and the consolidated results and cash flows of the parent company in 2023.

II. The basis for the formation of an audit opinion

We performed our audit work in accordance with the Chinese Certified Public Accountants Auditing Standards. Our responsibilities under these standards are further elaborated in the "CPA's Responsibility for the Audit of Financial Statements" section of the audit report. In accordance with the Chinese CPA Code of Professional Ethics, we are independent of Shenzhen Honor Electron and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for the audit opinion.

III. Key audit matters

The key audit matters are the matters that we, based on our professional judgment, believe are the most important for the audit of the current financial statements. These matters should be 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 a separate opinion on these matters.

Audit report (continued)

Key audit matters	How the matter is dealt with in the audit
I. Revenue recognition	

<p>In 2023, the operating income of Shenzhen Honor Electron will be RMB 2,869,999,900. According to the method of Shenzhen Honor Electron's sales revenue recognition, the products sold by Shenzhen Honor Electron to domestic customers are delivered to the location designated by the buyer, and the sales revenue is recognized after the customer signs for receipt; the products sold by Shenzhen Honor Electron to overseas customers are exported by customs declaration, and the sales revenue is recognized after the customs declaration procedures are completed; the products that Shenzhen Honor Electron trades with customers in the form of vendor-managed inventory (VMI) are recognized as sales revenue after the customer actually receives the goods. Considering that the amount of operating income is a key operating indicator of Shenzhen Honor Electron, there may be potential misstatement of whether the sales income of products is included in the appropriate accounting period. Therefore, we regard the recognition of operating income as a key audit matter.</p>	<p>Our primary audit procedures for revenue recognition include, but are not limited to: (1) Understand, evaluate and test the effectiveness of the design and operation of internal controls related to sales and collection of Shenzhen Honor Electron; (2) Understand the revenue recognition policy through management interviews, check the relevant terms of major customer contracts, analyze and evaluate whether the actual revenue recognition policy is appropriate, and review whether the relevant accounting policies are consistently used; (3) Inquire and understand the background information of major customers through public channels, such as industrial and commercial registration materials, and confirm whether there is a potential unidentified related party relationship between the customer and Shenzhen Honor Electron and related parties; (4) Combined with the gross profit margin of companies in the same industry, implement analysis procedures on revenue and costs, and analyze the rationality of the trend of gross profit margin changes; (5) Combined with the audit of accounts receivable, the sales and balances of major customers are verified by letter, and alternative tests are performed on customers who have not responded to the letter; (6) Take samples to check the relevant documents of sales revenue transactions, such as sales contracts (orders), invoices, receipts, customs declarations, statements and sales invoices, etc., to verify whether the confirmed sales revenue is true; (7) Comparatively analyze the data of the customs or the application service platform of the State Administration of Foreign Exchange to verify the authenticity of export sales; (8) Sample and select the sales revenue transactions recorded before and after the balance sheet date, and check them to the supporting vouchers for revenue recognition under each model to evaluate whether the sales revenue is recorded in the appropriate accounting period.</p>
<p>Please refer to the accounting policies described in "(28) Income" in "III. Significant Accounting Policies and Accounting Estimates" in the Notes to the Financial Statements, "(38) Operating Income, Operating Costs" in "VI. Notes to Items in the Consolidated Financial Statements" and "(4) Operating Income, Operating Costs" in "18. Notes to Main Items in the Financial Statements of the Parent Company".</p>	

Audit report (continued)

Key audit matters	How the matter is dealt with in the audit
2. Impairment of accounts receivable	
<p>At the end of 2023, the book value of Shenzhen Honor Electron's accounts receivable was 890,787,500 yuan. Since the book value of accounts receivable is relatively large, the assessment of bad debt provision involves management's significant accounting estimates and judgments. Therefore, we regard the bad debt provision of accounts receivable as a key audit matter. Please refer to the accounting policies described in "(13) Accounts Receivable" in "III. Significant Accounting Policies and Accounting Estimates" in the Notes to the Financial Statements, "(4) Accounts Receivable" in "VI. Notes to Items in the Consolidated Financial Statements" and "(1) Accounts Receivable" in "XVIII. Notes to Major Items in the Financial Statements of the Parent Company".</p>	<p>Our primary audit procedures for the recognition of impairment of accounts receivable include, but are not limited to: (1) Understand, evaluate and test the effectiveness of the design and operation of internal control related to Shenzhen Honor Electron's credit policy and accounts receivable management; (2) Analyze the rationality of the accounting policies for the provision of expected credit losses on accounts receivable, including the basis for determining the combination of accounts receivable, the expected credit loss rate, the judgment of a single significant amount, the judgment of a single provision for bad debts, and review whether it complies with the relevant accounting policies; (3) Analyze the credit period of accounts receivable of major customers, and understand the reasons for the accounts receivable exceeding the credit period, so as to identify whether there is any situation that affects the evaluation result of bad debt provision of Shenzhen Honor Electron's accounts receivable; (4) For accounts receivable with provision for bad debts using the expected credit loss model based on aging characteristics, obtain Shenzhen Honor Electron's accounts receivable aging analysis table and bad debt provision withdrawal table, analyze and check the aging of accounts receivable and the rationality and accuracy of bad debt provision; (5) Combined with the turnover rate of accounts receivable of companies in the same industry, carry out analysis procedures for accounts receivable and analyze its rationality.</p>

IV. Other information

The management of Shenzhen Honor Electron Company (hereinafter referred to as the "management ") is responsible for other information. Other information includes information covered in the 2023 annual report, but does not include the financial statements and our audit report.

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

In conjunction with our audit of the financial statements, our responsibility is to read other information and, in the process, consider whether other information is materially inconsistent with the financial statements or what we learned during the audit or appears to be materially misstated. Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. In this regard, we have nothing to report.

V. Management and Governance Responsibilities for Financial Statements

The management is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises, making them fairly reflected, and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing Shenzhen Honor Electron's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumption, unless liquidation, termination of operations or no other realistic option is planned.

The management is responsible for overseeing the financial reporting process of Shenzhen Honor Electron.

VI. CPA's responsibility for auditing financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance is a high-level 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 be due to fraud or error and are generally considered material if it is reasonably expected that the misstatements, individually or in aggregate, may affect the economic decisions made by users of financial statements on the basis of the financial statements.

In performing audit work in accordance with auditing standards, we use professional judgment and maintain professional skepticism. At the same time, we also perform the following tasks:

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

(2) Understand internal controls related to auditing in order to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of internal controls.

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

(4) Draw conclusions on the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, it is possible to draw conclusions on whether there are major uncertainties in matters or circumstances that may cause major doubts about Shenzhen Honor Electron's ability to continue operations. If we conclude that there is a material uncertainty, the auditing standards require that we draw the attention of the users of the financial statements in the audit report to the relevant disclosures in the financial statements; if the disclosures are insufficient, we should issue a qualified opinion. Our conclusions are based on information available as of the audit report date. However, future events or circumstances may cause Shenzhen Honor Electron to be unable to operate as a going concern.

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

(6) Obtain sufficient and appropriate audit evidence on the financial information of entities or business activities in Shenzhen Honor Electron to express an audit opinion on the financial statements. We are responsible for directing, overseeing and performing group audits and assume full responsibility for audit opinions.

We communicate with governance on matters such as planned audit scope, timing, and major audit findings, including internal control deficiencies of concern that we identify in our audits.

We also provide management with a statement that we have complied with the professional ethics requirements related to independence, and communicate with management all relationships and other matters that may reasonably be believed to affect our independence, as well as relevant precautions.

From the matters communicated with the governance level, we determine which matters are most important to the audit of the current financial statements and thus constitute the key audit matters. We describe these matters in our audit reports, unless laws and regulations prohibit public disclosure of these matters, or in rare cases, we determine that we should not communicate the matter in our audit reports if the negative consequences of communicating a matter in our audit reports would reasonably be expected to outweigh the benefits in the public interest.

II. Financial Statements

The unit of the statement in the financial notes is: yuan

1. Consolidated Balance Sheets

Prepared by: Shenzhen Honor Electronic Co., Ltd.

Unit:
Yuan

Projects	December 31, 2023	January 1, 2023
Current assets:		
Monetary fund	669,082,320.25	517,773,386.98
Settlement reserve		
borrowed funds		
Trading financial assets		70,117,200.00
Derivative financial assets		
Notes receivable	162,177,531.62	58,257,166.47
Accounts Receivable	890,787,486.41	816,049,257.96
Receivables Financing	17,633,625.14	23,656,994.70
Advance payment	3,018,853.80	2,626,013.78
Premiums receivable		
Reinsurance accounts receivable		
Reserve for reinsurance contracts receivable		
Other receivables	73,876,951.61	19,154,389.88

Including: interest receivable	421,991.68	17,297.60
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	336,461,913.00	402,689,789.83
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other Current Assets	22,798,520.43	20,358,269.25
Total current assets	2,175,837,202.26	1,930,682,468.85
Non-current assets:		
Issue loans and advances		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	95,121,442.43	858,469.31
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate	120,727,136.94	
Fixed assets	1,013,803,559.64	1,097,803,234.25
Construction in progress	133,048,776.54	138,969,427.72
Productive biological assets		
Oil and gas assets		
Right-of-use asset	40,521,407.26	53,942,722.05
Intangible assets	71,828,871.13	76,100,859.15
Development expenditure		
Goodwill		
Long-term deferred expenses	55,978,141.31	26,460,050.19
Deferred Tax Assets	19,714,145.94	21,899,130.20
Other non-current assets	23,026,424.99	1,726,164.92
Total non-current assets	1,573,769,906.18	1,417,760,057.79
Total assets	3,749,607,108.44	3,348,442,526.64
Current Liabilities:		
Short-term loan	115,057,750.00	200,546,763.89
Borrowing from the Central Bank		
Borrowed funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	468,760,151.92	291,492,369.24
Account payables	737,489,565.72	660,104,159.92
Advance receipt	280,811.77	383,332.14
Contract liabilities	3,002,110.54	1,186,317.12
Financial assets sold for repurchase		
Deposits and interbank deposits		
Securities brokerage		
Acting as an agent for underwriting securities		
Employee compensation payable	53,764,039.16	61,023,260.09
Taxes payable	12,190,591.69	18,965,233.49
Other payables	23,434,022.39	42,520,730.15
Of which: interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	45,119,278.31	97,582,589.98
Other current liabilities	69,522,971.58	33,942,793.74
Total Current Liabilities	1,528,621,293.08	1,407,747,549.76
Non-Current Liabilities:		
Insurance contract reserves		
Long-term loan	319,550,000.10	261,990,000.06
Bonds payable		

Of which: preferred stock		
Perpetual bond		
Lease liabilities	26,432,950.93	33,035,866.33
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	8,835,651.83	6,122,057.05
Deferred Tax Liabilities	9,844,016.79	11,342,484.42
Other non-current liabilities		
Total Non-Current Liabilities	364,662,619.65	312,490,407.86
Total liabilities	1,893,283,912.73	1,720,237,957.62
Owners' equity:		
Capital stock	101,200,000.00	101,770,000.00
Other equity instruments		
Of which: preferred stock		
Perpetual bond		
Capital reserve	1,089,736,446.16	1,063,935,917.21
Less: treasury shares	62,600,689.07	81,287,282.67
Other comprehensive income	3,778,013.64	4,644,705.10
Special reserve		
Surplus reserve	50,885,000.00	50,885,000.00
General risk preparation		
Undistributed profit	674,284,970.82	487,577,371.50
Total owner's equity attributable to parent Company	1,857,283,741.55	1,627,525,711.14
Minority interests	-960,545.84	678,857.88
Total owner's equity	1,856,323,195.71	1,628,204,569.02
Total liabilities and owners' equity	3,749,607,108.44	3,348,442,526.64

Legal representative: Wang Heqiu Person in charge of accounting work: Zhang Shuyuan Person in charge of accounting department: Tan Qun

2. Parent company balance sheet

Unit:
Yuan

Projects	December 31, 2023	January 1, 2023
Current assets:		
Monetary fund	495,842,864.53	341,345,565.08
Trading financial assets		20,109,200.00
Derivative financial assets		
Notes receivable	162,177,531.62	58,257,166.47
Accounts Receivable	951,854,200.13	816,128,043.07
Receivables Financing	17,633,625.14	23,656,994.70
Advance payment	2,448,340.02	701,876.74
Other receivables	95,521,231.52	49,758,332.70
Including: interest receivable	361,080.46	17,297.60
Dividends receivable		
Inventory	209,090,722.40	294,668,311.24
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other Current Assets	4,655,839.77	
Total current assets	1,939,224,355.13	1,604,625,490.00
Non-current assets:		
Debt investment		

Other debt investment		
Long-term receivables	165,955,625.00	159,493,750.00
Long-term equity investment	626,596,965.51	665,854,361.34
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate	120,727,136.94	
Fixed assets	482,053,132.95	647,757,525.22
Construction in progress	76,541,829.03	15,394,680.04
Productive biological assets		
Oil and gas assets		
Right-of-use asset	26,070,649.00	38,337,071.41
Intangible assets	28,792,422.16	31,627,924.63
Development expenditure		
Goodwill		
Long-term deferred expenses	7,789,310.57	9,815,033.30
Deferred Tax Assets	14,922,378.87	16,369,259.26
Other non-current assets	6,931,935.59	320,069.46
Total non-current assets	1,556,381,385.62	1,584,969,674.66
Total assets	3,495,605,740.75	3,189,595,164.66
Current Liabilities:		
Short-term loan	95,057,750.00	200,478,777.79
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	488,760,151.92	291,492,369.24
Account payables	742,504,152.62	594,004,965.90
Advance receipt	280,811.77	383,332.14
Contract liabilities	2,264,234.85	1,148,415.75
Employee compensation payable	31,646,765.58	32,424,976.83
Taxes payable	9,108,899.78	14,313,631.53
Other payables	12,426,818.69	35,501,830.94
Of which: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	41,349,932.58	93,054,951.34
Other current liabilities	69,512,942.70	33,942,793.74
Total Current Liabilities	1,492,912,460.49	1,296,746,045.20
Non-Current Liabilities:		
Long-term loan	229,550,000.10	211,990,000.06
Bonds payable		
Of which: preferred stock		
Perpetual bond		
Lease liabilities	16,553,101.38	21,497,603.05
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	7,935,651.84	6,122,057.05
Deferred Tax Liabilities	6,306,859.61	7,518,122.28
Other non-current liabilities		
Total Non-Current Liabilities	260,345,612.93	247,127,782.44
Total liabilities	1,753,258,073.42	1,543,873,827.64
Owners' equity:		
Capital stock	101,200,000.00	101,770,000.00
Other equity instruments		
Of which: preferred stock		
Perpetual bond		
Capital reserve	1,089,736,446.16	1,063,935,917.21
Less: treasury shares	62,600,689.07	81,287,282.67
Other comprehensive income		
Special reserve		
Surplus reserve	50,885,000.00	50,885,000.00

Undistributed profit	563,126,910.24	510,417,702.48
Total owner's equity	1,742,347,667.33	1,645,721,337.02
Total liabilities and owners' equity	3,495,605,740.75	3,189,595,164.66

3. Consolidated income statement

Unit:
Yuan

Projects	2023	2022
I. Total operating income	2,869,998,960.72	2,703,124,681.08
Including: operating income	2,869,998,960.72	2,703,124,681.08
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating cost	2,783,681,891.94	2,591,974,453.28
Including: operating cost	2,304,137,034.52	2,212,300,064.43
Interest expense		
Fees and commissions		
Surrender money		
Net compensation expense		
Withdrawal of net insurance liability contract reserves		
Policy dividend payout		
Reinsurance fees		
Taxes & surcharges	17,555,090.91	11,725,773.59
Selling expense	71,964,904.20	63,159,779.73
Administration expense	151,905,711.61	136,535,288.52
R&D; expenses	230,188,399.52	197,887,249.04
Finance expense	7,930,751.18	-29,633,702.03
Including: interest expense	21,854,846.03	18,652,687.03
Interest income	5,530,692.27	3,706,437.06
Plus: other income	18,928,144.74	15,581,971.16
Investment income (losses are listed with "- ")	134,029,742.82	3,952,771.18
Including: investment income in associates and joint ventures	-3,560,391.81	-39,358.81
Derecognition of financial assets measured at amortized cost		
Exchange gains (losses are listed with "- ")		
Net exposure hedging gain (losses are listed with "- ")		
Gain from change in fair value (losses are listed with "- ")		117,200.00
Credit impairment loss (losses are listed with "- ")	-12,409,506.50	-8,008,375.98
Asset impairment loss (losses are listed with "- ")	-15,709,287.10	-14,331,141.19
Asset disposal gains (losses are listed with "- ")	107,625.87	-817,756.42
III. Operating profit (losses are listed with "- ")	211,263,788.61	107,644,896.55
Plus: non-operating income	926,083.76	3,144,855.45
Less: non-operating expenses	1,289,490.48	1,058,913.69
IV. Total profit (total loss is listed with "- ")	210,900,381.89	109,730,838.31
Less: income tax expense	16,808,625.54	21,627,958.57
V. Net profit (net loss is listed with "- ")	194,091,756.35	88,102,879.74

(1) Classified by business continuity		
1. Net profit from continuing operations (net loss is listed with "- ")	197,056,582.32	88,102,879.74
2. Net profit from discontinued operations (net loss is listed with "- ")	-2,964,825.97	
(2) Classification by ownership		
1. Net profit attributable to shareholders of the parent company	195,731,160.07	90,424,021.86
2. Minority shareholder gains and losses	-1,639,403.72	-2,321,142.12
VI. Net after-tax other comprehensive income	-866,691.46	13,962,015.73
After-tax net of other comprehensive income attributable to owners of the parent company	-866,691.46	13,962,015.73
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measurement of defined benefit plan changes		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss	-866,691.46	13,962,015.73
1. Other comprehensive income that can be transferred to profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash Flow Hedge Reserve		
6. Foreign currency financial statement translation differences	-866,691.46	13,962,015.73
7. Other		
After-tax net of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	193,225,064.89	102,064,895.47
Total comprehensive income attributable to owners of the parent company	194,864,468.61	104,386,037.59
Total comprehensive income attributable to minority shareholders	-1,639,403.72	-2,321,142.12
VIII. Earnings per share		
(1) Basic earnings per share	1.93	0.89
(2) Diluted earnings per share	1.93	0.89

If a business combination under the same control occurs in the current period, the net profit realized by the merged party before the merger is: Yuan, and the net profit realized by the merged party in the previous period is: Yuan.

Legal representative: Wang Heqiu Person in charge of accounting work: Zhang Shuyuan Person in charge of accounting department: Tan Qun

4. Income statement of the parent company

Unit:
Yuan

Projects	2023	2022
I. Operating income	2,682,272,930.32	2,508,705,699.55
Less: operating costs	2,270,550,820.88	2,078,222,278.01
Taxes & surcharges	13,811,575.76	10,432,014.14
Selling expense	52,724,190.38	51,039,147.43
Administration expense	86,840,611.85	91,527,055.04
R&D; expenses	111,534,968.65	108,070,260.02
Finance expense	3,805,765.76	-36,221,375.80
Including: interest expense	16,468,081.51	16,513,161.36
Interest income	10,762,278.32	10,644,197.28
Plus: other income	16,610,597.38	13,483,909.11
Investment income (losses are listed with "- ")	-39,828,413.71	2,131,541.46
Including: investment income in associates and joint ventures	-29,351,549.75	
Financial assets measured at amortized cost are derecognized as gains (losses are listed with "- ")		
Net exposure hedging gain (losses are listed with "- ")		
Gain from change in fair value (losses are listed with "- ")		109,200.00
Credit impairment losses (losses marked with "-")	-5,404,825.99	-6,819,773.50
Fill in)		
Asset impairment loss (losses are listed with "- ")	-8,909,794.71	-11,323,134.98
Asset disposal gains (losses are listed with "- ")	293,222.03	-174,575.76
II. Operating profit (losses are listed with "- ")	105,765,782.04	203,043,487.04
Plus: non-operating income	95,230.95	3,100,684.66
Less: non-operating expenses	842,533.34	376,342.90
III. Total profit (total loss is listed with "- ")	105,018,479.65	205,767,828.80
Less: income tax expense	8,924,802.88	17,072,161.66
IV. Net profit (net loss is listed with "- ")	96,093,676.77	188,695,667.14
(1) Net profit from continuing operations (net loss is listed with "- ")	96,093,676.77	188,695,667.14
(2) Net profit from discontinued operations (net loss is listed with "- ")		
V. Net after-tax other comprehensive income		
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measurement of defined benefit plan changes		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		

3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income that can be transferred to profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash Flow Hedge Reserve		
6. Foreign currency financial statement translation differences		
7. Other		
VI. Total comprehensive income	96,093,676.77	188,695,667.14
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated cash flow statement

Unit:
Yuan

Projects	2023	2022
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	2,384,782,987.34	2,319,991,218.24
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposits and investment funds of policyholders		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from brokerage of securities		
Tax refunds received	93,973,731.34	118,617,693.97
Receive other cash related to operating activities	102,562,993.24	126,652,201.99
Subtotal of cash inflow from operating activities	2,581,319,711.92	2,565,261,114.20
Cash paid for purchasing goods and accepting labor services	1,368,656,489.93	1,746,103,411.48

Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbanks		
Cash for payment of original insurance contract claims		
Net increase in borrowing funds		
Cash for payment of interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to and for employees	505,820,267.47	454,657,913.86
Taxes paid	74,985,548.04	50,561,189.49
Other cash payments related to operating activities	239,482,624.18	176,605,802.33
Subtotal of cash outflows from operating activities	2,188,944,929.62	2,427,928,317.16
Net cash flow from operating activities	392,374,782.30	137,332,797.04
II. Cash flow from investing activities:		
Cash received from investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,607.14	452,253.77
Net cash received from disposal of subsidiaries and other business units	66,577,124.16	
Receive other cash related to investing activities	469,685,749.11	626,186,380.95
Subtotal of cash inflows from investing activities	536,267,480.41	626,638,634.72
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	288,535,170.59	641,147,172.29
Cash paid for investments		
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments related to investing activities	418,123,542.60	472,736,780.82
Subtotal of cash outflows from investing activities	706,658,713.19	1,113,883,953.11
Net cash flows from investing activities	-170,391,232.78	-487,245,318.39
III. Cash flow from financing activities:		
Cash received from investment	20,000,000.00	6,601,400.00
Including: cash received by the subsidiary from absorbing minority shareholders' investment	20,000,000.00	3,000,000.00
Cash received from borrowing	160,000,000.00	656,008,609.75
Other cash received in connection with financing activities	45,000,000.00	
Subtotal of cash inflows from financing activities	225,000,000.00	662,610,009.75
Cash paid for debt repayment	277,389,999.96	437,869,696.75
Cash paid for distribution of dividends, profits or interest payments	27,922,741.11	27,641,436.58
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	53,453,682.64	102,762,191.78
Subtotal of cash outflows from financing activities	358,766,423.71	568,273,325.11
Net cash flow from financing activities	-133,766,423.71	94,336,684.64

IV. The impact of exchange rate changes on cash and cash equivalents	1,652,888.86	20,307,559.26
V. Net increase in cash and cash equivalents	89,870,014.67	-235,268,277.45
Add: balance of cash and cash equivalents at the beginning of the period	438,009,246.87	673,277,524.32
VI. Balance of cash and cash equivalents at the end of the period	527,879,261.54	438,009,246.87

6. Parent company cash flow statement

Unit:
Yuan

Projects	2023	2022
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	2,244,254,079.23	2,158,239,646.80
Tax refunds received	81,658,263.98	102,703,995.11
Receive other cash related to operating activities	97,894,118.56	120,267,097.29
Subtotal of cash inflow from operating activities	2,423,806,461.77	2,381,210,739.20
Cash paid for purchasing goods and accepting labor services	1,489,103,455.24	1,772,182,778.59
Cash paid to and for employees	238,819,977.08	258,042,352.74
Taxes paid	46,251,061.93	34,012,025.37
Other cash payments related to operating activities	200,420,142.21	143,270,158.87
Subtotal of cash outflows from operating activities	1,974,594,636.46	2,207,507,315.57
Net cash flow from operating activities	449,211,825.31	173,703,423.63
II. Cash flow from investing activities:		
Cash received from investment	3,207,053.01	
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,607.14	
Net cash received from disposal of subsidiaries and other business units	100,000,000.00	
Receive other cash related to investing activities	547,527,011.20	535,678,945.20
Subtotal of cash inflows from investing activities	650,738,671.35	535,678,945.20
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	91,159,498.06	405,374,097.48
Cash paid for investments	156,500,000.00	152,500,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments related to investing activities	514,000,000.00	391,006,200.00
Subtotal of cash outflows from investing activities	761,659,498.06	948,880,297.48
Net cash flows from investing activities	-110,920,826.71	-413,201,352.28
III. Cash flow from financing activities:		
Cash received from investment		3,601,400.00
Cash received from borrowing	120,000,000.00	559,400,000.00

Other cash received in connection with financing activities	3,209,000.00	
Subtotal of cash inflows from financing activities	123,209,000.00	563,001,400.00
Cash paid for debt repayment	277,389,999.96	413,922,696.00
Cash paid for distribution of dividends, profits or interest payments	24,498,410.81	26,665,593.57
Other cash payments related to financing activities	45,069,418.10	91,042,886.90
Subtotal of cash outflows from financing activities	346,957,828.87	531,631,176.47
Net cash flow from financing activities	-223,748,828.87	31,370,223.53
IV. The impact of exchange rate changes on cash and cash equivalents	-235,688.88	11,940,470.18
V. Net increase in cash and cash equivalents	114,306,480.85	-196,187,234.94
Add: balance of cash and cash equivalents at the beginning of the period	261,581,424.97	457,768,659.91
VI. Balance of cash and cash equivalents at the end of the period	375,887,905.82	261,581,424.97

7. Consolidated Statement of Changes in Owners' Equity

Amount for the current period

Unit:
Yuan

Projects	2023														
	Owners' equity attributable to the parent company											Minority interests	Total owner's equity		
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk preparation	Undistributed profit			other	Subtotal
	Preferred stock	Perpetual bond	other												
I. Balance at the end of the previous year	101,770,000.00				1,063,935,917.21	81,287,282.67	4,644,705.10		50,885,000.00		487,577,371.50		1,627,525,711.14	678,857.88	1,628,204,569.02
Plus: accounting policy changes															
Period error correction															
He															

II. Balance at the beginning of the year	101,770,000.00				1,063,935,917.21	81,287,282.67	4,644,705.10		50,885,000.00		487,577,371.50		1,627,525,711.14	678,857.88	1,628,204,569.02
III. Amount of increase or decrease in the current period (decrease is listed with "-")	-570,000.00				25,800,528.95	-18,686,593.60	-866,691.46				186,707,599.32		229,758,030.41	-1,639,403.72	228,118,626.69
(1) Total comprehensive income							-866,691.46				195,731,160.07		194,864,468.61	-1,639,403.72	193,225,064.89
(2) Owner input	-570,000.00				21,577,164.02	-18,686,593.66							39,693,757.62		39,693,757.62
And reduce capital						0									
1. Common stock invested by the owner															
2. Capital invested by holders of other equity instruments															

3. Amount of share-based payment included in owner's equity					40,024,150.01							40,024,150.01		40,024,150.01
4. Other	-570,000.00				-18,446,985.99	-18,686,593.60						-330,392.39		-330,392.39
(3) Profit distribution										-9,058,567.15		-9,058,567.15		-9,058,567.15
1. Withdrawal of surplus reserves														
2. Take general risk reserves														
3. Distribution to owners (or shareholders)										-9,058,567.15		-9,058,567.15		-9,058,567.15
4. Other														
(Four														
) Internal carry-over of owner's equity														

1. Capital reserve is converted into capital (or share capital)															
2. Conversion of surplus reserves to capital (or share capital)															
3. Surplus reserve to cover losses															
4. Defined benefit plan changes carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Other															

(5) Special reserve														
1. Withdrawal in this period														
2. Use in this period														
(6) Other					4,223,364.93					35,006.40		4,258,371.33		4,258,371.33
IV. Balance at the end of the period	101,200,000.00				1,089,736,446.16	62,600,689.07	3,778,013.64		50,885,000.00	674,284,970.82		1,857,283,741.55	-960,545.84	1,856,323,195.71

Amount of the previous period

Unit:
Yuan

Projects	2022													
	Owners' equity attributable to the parent company												Minority interests	Total owner's equity
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk preparation	Undistributed profit	other		
	Preferred stock	Perpetual bond	other											
I. Balance at the end of the previous year	101,200,000.00				1,020,796,113.21		-9,317,310.63		43,666,846.70		417,552,967.18	1,573,898,616.46		1,573,898,616.46
Plus: accounting policy changes														
Period error correction														

He															
II. Balance at the beginning of the year	101,200,000.00				1,020,796,113.21		-9,317,310.63		43,666,846.70		417,552,967.18		1,573,898,616.46	1,573,898,616.46	
III. Amount of increase or decrease in the current period (decrease is listed with "-")	570,000.00				43,139,804.00	81,287,282.67	13,962,015.73		7,218,153.30		70,024,404.32		53,627,094.68	678,857.88	54,305,952.56
(1) Total comprehensive income							13,962,015.73				90,424,021.86		104,386,037.59	-2,321,142.12	102,064,895.47
(2) Owner	570,000.00				43,139,804.00	81,287,282.66							-37,577.4	3,000,000.00	-34,577.4
Invest and reduce capital					0	7							78.67		78.67
1. Common stock invested by the owner	570,000.00				18,151,600.00								18,721,600.00	3,000,000.00	21,721,600.00
2. Capital invested by holders of other equity instruments															

3. Amount of share-based payment included in owner's equity					24,988,204.00	18,686,593.60							6,301,610.40		6,301,610.40
4. Other						62,600,689.07							-62,600,689.07		-62,600,689.07
(3) Profit distribution								7,218,153.30		-20,399,617.54			-13,181,464.24		-13,181,464.24
1. Withdrawal of surplus reserves								7,218,153.30		-7,218,153.30					
2. Take general risk reserves															
3. Distribution to owners (or shareholders)										-13,181,464.24			-13,181,464.24		-13,181,464.24
4. Other															
(4) Internal carry-over of owners' equity															

1. Capital reserve is converted into capital (or share capital)															
2. Conversion of surplus reserves to capital (or share capital)															
3. Surplus reserve to cover losses															
4. Defined benefit plan changes carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Other															

(5) Special reserve															
1. Withdrawal in this period															
2. This issue															
Use															
(6) Other															
IV. Balance at the end of the period	101,770,000.00				1,063,935,917.21	81,287,282.67	4,644,705.10		50,885,000.00		487,577,371.50		1,627,525,711.14	678,857.88	1,628,204,569.02

8. Statement of Changes in Owner's Equity of Parent Company

Amount for the current period

Unit:
Yuan

Projects	2023											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	other	Total owner's equity
		Preferred stock	Perpetual bond	other								
I. Balance at the end of the previous year	101,770,000.00				1,063,935,917.21	81,287,282.67			50,885,000.00	510,417,702.48		1,645,721,337.02
Plus: accounting policy changes												
Period error correction												
He												
II. Balance at the beginning of the year	101,770,000.00				1,063,935,917.21	81,287,282.67			50,885,000.00	510,417,702.48		1,645,721,337.02

III. Amount of increase or decrease in the current period (decrease is listed with "- ")	-570,00 0.00				25,800, 528.95	-18,686, 593.60				52,709, 207.76		96,626, 330.31
(1) Total co mprehe nsive income										96,093, 676.77		96,093, 676.77
(2) Owner input and red uction of capital	-570,00 0.00				21,577, 164.02	-18,686, 593.60						39,693, 757.62
1. Com mon stock invested by the owner												
2. Capital invested by holders of other equity i nstrume nts												
3. Amount of share -based payment included in owner's equity					40,024, 150.01							40,024, 150.01
4. Other	-570,00 0.00				-18,446, 985.99	-18,686, 593.60						-330,39 2.39
(3) Profit di stributio n										-9,058,5 67.15		-9,058, 567.15
1. With drawal of surplus reserves												

5. Other comprehensive income carried forward to retained earnings												
6. Other												
(5) Special reserve												
1. With drawal in this period												
2. Use in this period												
(6) Other					4,223,364.93					-34,325,901.86		-30,102,536.93
IV. Balance at the end of the period	101,200,000.00				1,089,736,446.16	62,600,689.07			50,885,000.00	563,126,910.24		1,742,347,667.33

Amount of the previous period

Unit:
Yuan

Projects	2022											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	other	Total owner's equity
		Preferred stock	Perpetual bond	other								
I. Balance at the end of the previous year	101,200,000.00				1,020,796,113.21				43,666,846.70	342,121,652.88		1,507,784,612.79
Plus: accounting policy changes												
Period error correction												
He												

II. Balance at the be ginning of the year	101,200 ,000.00				1,020,7 96,113. 21				43,666, 846.70	342,121 ,652.88		1,507,7 84,612. 79
III. Amount of increase or decrease in the current period (decrease is listed with "- ")	570,000 .00				43,139, 804.00	81,287, 282.67			7,218,1 53.30	168,296 ,049.60		137,93 6,724.2 3
(1) Total co mprehe nsive income										188,695 ,667.14		188,69 5,667.1 4
(2) Owner input and red uction of capital	570,000 .00				43,139, 804.00	81,287, 282.67						-37,577 ,478.67
1. Com mon stock invested by the owner	570,000 .00				18,151, 600.00							18,721, 600.00
2. Capital invested by holders of other equity i nstrume nts												
3. Amount of share -based payment included in owner's equity					24,988, 204.00	18,686, 593.60						6,301,6 10.40
4. Other						62,600, 689.07						-62,600 ,689.07

(3) Profit distribution									7,218,153.30	-20,399,617.54		-13,181,464.24
1. With drawal of surplus reserves									7,218,153.30	-7,218,153.30		
2. Distribution to owners (or shareholders)										-13,181,464.24		-13,181,464.24
3. Other												
(4) Internal carry-over of owners' equity												
1. Conversion of capital reserve into capital (or shares)												
This)												
2. Conversion of surplus reserves to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Defined benefit plan changes carried forward to retained earnings												

5. Other comprehensive income carried forward to retained earnings												
6. Other												
(5) Special reserve												
1. With drawal in this period												
2. Use in this period												
(6) Other												
IV. Balance at the end of the period	101,770,000.00				1,063,935,917.21	81,287,282.67			50,885,000.00	510,417,702.48		1,645,721,337.02

III. Basic information of the company

Registered address and headquarters address: No. 19, Building 1, China Southern Airlines Pearl Garden, No. 175, Hangcheng Avenue, Sanwei Community, Hangcheng Street, Bao'an District, Shenzhen

Legal representative: Wang Heqiu

The main business activities the company is actually engaged in: The company is mainly engaged in the research and development, production and sales of switching power supply products. The company's main products include power adapters, server power supplies and other power supplies. The company's products are widely used in office electronics, network communications, security monitoring, smart home, new consumer electronic equipment, data centers, power battery equipment, pure electric vehicles, chemical composition equipment and many other fields.

Financial statement approval date: The financial statements were approved by the board of directors of the company on April 22, 2024.

IV. Basis for Preparation of Financial Statements

1. Compilation basis

The financial statements are based on the assumption of the company's going concern, based on actual transactions, in accordance with the relevant provisions of the Accounting Standards for Business Enterprises, and based on the important accounting policies and accounting estimates described below.

2. Continuing operations

For the 12 months since the end of the reporting period, the Company has no factors or other matters that have material doubts about its ability to continue as a going concern.

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates tips:

The following important accounting policies and accounting estimates of the Company are formulated in accordance with the Accounting Standards for Business Enterprises. Businesses not mentioned shall be implemented in accordance with the relevant accounting policies in the Accounting Standards for Business Enterprises.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company on the basis of the above preparation comply with the requirements of the latest Accounting Standards for Business Enterprises and their application guidelines, interpretations and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises ") issued by the Ministry of Finance, and truly and completely reflect the relevant information of the Company's financial status, operating results and cash flows.

In addition, the preparation of this financial report refers to the presentation and disclosure requirements of the "Regulations No. 15 for the Preparation and Reporting of Information Disclosure by Companies Offering Securities to the Public - General Provisions on Financial Reporting" (revised in 2023) issued by the China Securities Regulatory Commission.

2. Accounting period

The company's fiscal year runs from January 1 to December 31 of the Gregorian calendar.

3. Business cycle

The company takes 12 months as a business cycle.

4. Standard currency for bookkeeping

The company uses Renminbi as the functional currency for bookkeeping.

5. The method for determining the importance standard and the basis for selection

Applicable Not applicable

Projects	Materiality standard
Significant single provision for bad debt receivables	≥ RMB 1 million
Important construction in progress	Investment budget ≥ RMB 5 million
Important accounts payable	≥ RMB 1 million
Important advance receipts	≥ RMB 1 million
Important joint ventures or associates	The book value of the investment in a joint venture or associate accounts for ≥ 1% of the company's total assets

6. Accounting treatment of business combinations under the same control and not under the same control

1. Accounting treatment of business combinations under the same control

The company acquires a business combination under the same control in one transaction or through multiple transactions step by step. The assets and liabilities acquired in the business combination are measured at the book value of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the book value of the net assets obtained by the company and the book value of the combined consideration paid (or the total face value of the issued shares) shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

2. Accounting treatment of business combinations not under common control

The difference between the merger cost and the fair value share of the acquiree's identifiable net assets obtained in the merger on the purchase date shall be recognized as goodwill by the Company; If the merger cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree obtained and the measurement of the merger cost shall be reviewed first. After the review, if the merger cost is still less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the difference shall be included in the current profit and loss.

A step-by-step realization of a business combination not under the same control through multiple transactions shall be processed in the following order:

(1) Adjust the initial investment cost of long-term equity investment. If the equity held before the purchase date is accounted for using the equity method, it shall be re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value shall be included in the current investment income; If the equity of the acquiree held before the purchase date involves other comprehensive income under the equity method and changes in other owners' equity, it shall be converted into the current income on the purchase date, except for other comprehensive income arising from the remeasurement of the net liabilities or changes in net assets of the defined benefit plan and changes in the fair value of other equity instrument investments held by the investee.

(2) Recognize goodwill (or the amount included in the current profit and loss). Comparing the initial investment cost of the long-term equity investment after the first step adjustment with the fair value share of the identifiable net assets of the subsidiary on the purchase date, the former is greater than the latter, and the difference is recognized as goodwill; the former is less than the latter, and the difference is included in the current profit and loss.

The situation where the equity is disposed of step by step through multiple transactions to the loss of control of the subsidiary:

(1) The principle of judging whether each transaction in the process from the step-by-step disposal of equity to the loss of control of the subsidiary is a "package deal"

The terms, conditions and economic effects of the disposal of each transaction of an equity investment in a subsidiary are subject to one or more of the following circumstances, which generally indicate that multiple transactions should be accounted for as a package transaction:

- 1) These transactions were entered into at the same time or taking into account the influence of each other;
- 2) These transactions as a whole can achieve a complete commercial outcome;
- 3) The occurrence of one transaction depends on the occurrence of at least one other transaction;
- 4) A transaction is uneconomical on its own, but economical when considered together with other transactions.

(2) The accounting treatment method for each transaction in the process from the step-by-step disposal of equity to the loss of control of the subsidiary is a "package deal"

If the disposal of the equity investment in the subsidiary until the loss of control belongs to a package transaction, each transaction shall be accounted for as a transaction for the disposal of the subsidiary and the loss of control; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal investment before the loss of control shall be recognized as other comprehensive income in the consolidated financial statements and transferred to the profit and loss for the period when the control is lost.

In the consolidated financial statements, the remaining equity should be remeasured at its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the original shareholding ratio and the share of the company's net assets calculated continuously from the date of purchase, shall be included in the investment income in the period of loss of control. Other comprehensive income related to the equity investment of an atomic company shall be converted into current investment income or retained income when control is lost.

(3) The accounting treatment method for each transaction in the process from the step-by-step disposal of equity to the loss of control of the subsidiary is not a "package deal"

If the disposal of the investment in the subsidiary does not lose control, the difference between the disposal price in the consolidated financial statements and the share of the net assets of the subsidiary corresponding to the disposal investment shall be included in the capital reserve (capital premium or share capital premium). If the capital premium is insufficient to offset, the retained earnings shall be adjusted.

If the disposal of the investment in the subsidiary loses control, in the consolidated financial statements, the remaining equity shall be remeasured at its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the original shareholding ratio and the share of the original subsidiary's net assets calculated continuously from the date of purchase, shall be included in the investment income in the period of loss of control. Other comprehensive income related to the equity investment of the original subsidiary shall be converted into current investment income or retained income when control is lost.

7. Judgment criteria for control and preparation method of consolidated financial statements

The consolidation scope of the company's consolidated financial statements shall be determined on the basis of control.

Control means that the Group has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power over the investee to influence the amount of its return. Related activities refer to activities that have a significant impact on the return of the investee. The relevant activities of the investee should be judged according to the specific circumstances, usually including the sale and purchase of goods or services, the management of financial assets, the purchase and disposal of assets, Research And Development activities, and financing activities.

The company judges whether to control the investee on the basis of comprehensive consideration of all relevant facts and circumstances. Once changes in relevant facts and circumstances lead to changes in the relevant elements involved in the definition of control, the Company shall re-evaluate.

The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries, and based on other relevant information, are prepared by the Company in accordance with the Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements.

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

1. Identification and classification of joint venture arrangements

A joint venture arrangement refers to an arrangement that is jointly controlled by two or more participants. A joint venture arrangement has the following characteristics: (1) each participant is bound by the arrangement; (2) two or more participants exercise joint control over the arrangement. No one participant can control the arrangement alone, and any one participant with common control over the arrangement can prevent other participants or a combination of participants from controlling the arrangement alone.

Joint control refers to the common control of an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be unanimously agreed by the participants who share the control rights before decision-making.

Joint venture arrangements are divided into joint operations and joint ventures. Joint operation refers to a joint arrangement in which the joint venture party enjoys the assets related to the arrangement and assumes the liabilities related to the arrangement. A joint venture refers to a joint arrangement in which the joint venture party has rights only to the net assets of the arrangement.

2. Accounting treatment of joint arrangements

The joint operation participants shall recognize the following items related to their share of interests in the joint operation, and perform accounting treatment in accordance with the relevant accounting standards for enterprises: (1) recognize the assets held separately and the assets held jointly according to their share; (2) recognize the liabilities borne separately and the liabilities jointly borne according to their share; and (3) recognize the income from the sale of their share of the output of the joint operation; (4) Recognize the income generated by the joint operation from the sale of output according to its share; (5) recognize the expenses incurred separately, and recognize the expenses incurred by the joint operation according to its share.

The parties to the joint venture shall account for the investment in the joint venture in accordance with the "Accounting Standards for Enterprises No. 2 - Long-term Equity Investment".

9. Criteria for determining cash and cash equivalents

Cash in the cash flow statement refers to the company's cash on hand and deposits that can be used for payment at any time. Cash equivalents refer to investments that are held for a short period of time (generally within three months from the date of purchase), are highly liquid, are easy to convert into known amounts of cash, and have little risk of value changes.

10. Foreign currency business and foreign currency statement translation

1. Foreign currency business translation

When foreign currency transactions are initially confirmed, they are converted into RMB amounts at the spot exchange rate on the transaction date. On the balance sheet date, monetary items in foreign currencies are converted at the spot exchange rate on the balance sheet date, and the exchange differences arising from different exchange rates are included in the current profits and losses, except for the exchange differences on the principal and interest of foreign currency special loans related to the acquisition and construction of assets eligible for capitalization; non-monetary items in foreign currencies measured at historical cost are still converted at the spot exchange rate on the transaction date, and their RMB amounts are not changed; Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date when the fair value is determined, and the difference is included in the current profit and loss or other comprehensive income.

2. Translation of foreign currency financial statements

The assets and liabilities items in the balance sheet are converted using the approximate exchange rate of the spot exchange rate on the balance sheet date; the owner's equity items are converted using the spot exchange rate on the transaction date except for the "undistributed profit" item; the income and expense items in the income statement are converted using the spot exchange rate on the transaction date or the approximate exchange rate on the spot exchange rate on the transaction date. The translation difference of the foreign currency financial statements arising from the above translation is recognized as other comprehensive income.

11. Financial instruments

1. Confirmation and derecognition of financial instruments

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

Buying and selling financial assets in the conventional way is recognized and derecognized according to the accounting on the transaction date. The conventional way of buying and selling financial assets refers to the collection or delivery of financial assets within the time limit specified by laws and regulations or common practice in accordance with the terms of the contract. The trading day refers to the date on which the company promises to buy or sell financial assets.

If the following conditions are met, the financial asset (or part of the financial asset, or part of a group of similar financial assets) is derecognized, that is, it is written off from its account and balance sheet:

(1) The right to receive cash flow from financial assets expires;

(2) transferred the right to receive the cash flow of the financial asset, or assumed the obligation to pay the full amount of the cash flow received to a third party in a timely manner under the "pass-through agreement"; and (a) substantially transferred almost all the risks and rewards in the ownership of the financial asset, or (b) gave up control of the financial asset although substantially neither transferred nor retained almost all the risks and rewards in the ownership of the financial asset.

2. Classification and measurement of financial assets

At the time of initial recognition, the company's financial assets are classified according to the company's business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost, financial assets measured at fair value and whose changes are included in other comprehensive income, and financial assets measured at fair value and whose changes are included in current profit and loss. Subsequent measurement of financial assets depends on their classification.

The company's classification of financial assets is based on the company's business model of managing financial assets and the cash flow characteristics of financial assets.

(1) Financial assets measured at amortized cost

Financial assets that meet the following conditions are classified as financial assets measured at amortized cost: The company's business model for managing the financial assets is to collect contractual cash flows; the contract terms of the financial assets stipulate that the cash flows generated on a specific date are only the payment of principal and interest based on the outstanding principal amount. For such financial assets, the effective interest method is adopted, and subsequent measurement is carried out at amortized cost, and the gains or losses arising from their amortization or impairment are included in the current profits and losses.

(2) Investments in debt instruments measured at fair value through other comprehensive income

Financial assets that meet the following conditions are classified as financial assets measured at fair value and whose changes are included in other comprehensive income: The company's business model for managing the financial assets is to both collect contractual cash flows and sell financial assets; the contractual terms of the financial assets stipulate that the cash flows generated on a specific date are only the payment of principal and interest based on the outstanding principal amount. For such financial assets, fair value is used for subsequent measurement. Its discount or premium is amortized using the effective interest method and recognized as interest income or expense. Except for impairment losses and exchange differences of foreign currency monetary financial assets, which are recognized as current profits and losses, changes in the fair value of such financial assets are recognized as other comprehensive income. Until the financial assets are derecognized, their accumulated gains or losses are transferred to current profits and losses. Interest income related to such financial assets is included in the current profit and loss.

(3) Equity instrument investments measured at fair value with changes included in other comprehensive income

The Company irrevocably chooses to designate part of the non-trading equity instrument investments as financial assets measured at fair value and whose changes are included in other comprehensive income, and only the relevant dividend income is included in the current profit and loss, and the changes in fair value are recognized as other comprehensive income until the financial asset is derecognized, and its accumulated gains or losses are transferred to retained earnings.

(4) Financial assets measured at fair value and whose changes are included in the current profit and loss

The above-mentioned financial assets measured at amortized cost and financial assets other than financial assets measured at fair value and whose changes are included in other comprehensive income are classified as financial assets measured at fair value and whose changes are included in current profits and losses. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, financial assets can be designated as financial assets that are measured at fair value and whose changes are included in the current profit and loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are included in the current profit and loss.

All affected related financial assets are reclassified when and only when the Company changes its business model for managing financial assets.

For financial assets measured at fair value and whose changes are included in the current profit and loss, the relevant transaction costs are directly included in the current profit and loss, and the relevant transaction costs of other types of financial assets are included in their initial recognition amount.

3. Classification and measurement of financial liabilities

The company's financial liabilities are classified at the time of initial recognition as: financial liabilities measured at amortized cost and financial liabilities measured at fair value and whose changes are included in the current profit and loss.

Financial liabilities that meet one of the following conditions can be designated as financial liabilities measured at fair value and whose changes are included in current profits and losses at the time of initial measurement: (1) the designation can eliminate or significantly reduce accounting mismatches; (2) According to the company's risk management or investment strategy stated in the official written document, the management and performance evaluation of the financial liability portfolio or the portfolio of financial assets and financial liabilities is carried out on the basis of fair value, and reported to key management personnel within the company on this basis; (3) the financial liability contains embedded derivatives that need to be separated separately.

The Company determines the classification of financial liabilities at the time of initial recognition. For financial liabilities that are measured at fair value and whose changes are included in the current profit and loss, the relevant transaction costs are directly included in the current profit and loss, and the relevant transaction costs of other financial liabilities are included in their initial recognition amount.

Subsequent measurement of financial liabilities depends on their classification:

(1) Financial liabilities measured at amortized cost

For such financial liabilities, the effective interest method is used, and subsequent measurement is carried out at amortized cost.

(2) Financial liabilities measured at fair value and whose changes are included in the current profit and loss

Financial liabilities measured at fair value and whose changes are included in the current profit and loss include transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at fair value at the time of initial recognition and whose changes are included in the current profit and loss.

4. Offsetting of financial instruments

If the following conditions are met at the same time, the financial assets and financial liabilities are listed in the balance sheet as the net amount after offsetting each other: there is a statutory right to offset the recognized amount, and such statutory right is currently enforceable; it is planned to settle on a net basis, or to realize the financial asset and pay off the financial liability at the same time.

5. Impairment of financial assets

The Company recognizes loss provisions on the basis of expected credit losses for financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive income, and financial guarantee contracts. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be collected by the company discounted at the original effective interest rate, that is, the present value of the total cash shortage.

The Company estimates the expected credit losses of financial assets measured at amortized cost and financial assets measured at fair value with changes included in other comprehensive income (debt instruments) on a single or combined basis, taking into account all reasonable and evidence-based information, including forward-looking information.

(1) General model of expected credit loss

If the credit risk of the financial instrument has increased significantly since its initial recognition, the Company measures its loss allowance at an amount equivalent to the expected credit loss over the entire life of the financial instrument; if the credit risk of the financial instrument has not increased significantly since its initial recognition, the Company measures its loss allowance at an amount equivalent to the expected credit loss of the financial instrument within the next 12 months. The resulting increase or reversal of the loss provision shall be included in the current profit and loss as an impairment loss or gain. For the Company's specific assessment of credit risk, please refer to the note "IX. Risks Related to Financial Instruments".

Usually more than 30 days overdue, the company believes that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

Specifically, the Company divides the process of credit impairment of financial instruments that have not suffered credit impairment at the time of purchase or origin into three stages, and there are different accounting treatments for the impairment of financial instruments at different stages:

The first stage: the credit risk has not increased significantly since the initial recognition

For financial instruments at this stage, the enterprise should measure the loss provision based on the expected credit loss in the next 12 months, and calculate the interest income based on its book balance (that is, without deducting the impairment provision) and the actual interest rate (if the instrument is a financial asset, the same below).

The second stage: credit risk has increased significantly since the initial recognition, but credit impairment has not yet occurred

For financial instruments at this stage, the enterprise should measure the loss provision according to the expected credit loss for the entire duration of the instrument, and calculate the interest income according to its book balance and actual interest rate.

The third stage: credit impairment occurs after initial recognition

For financial instruments at this stage, the enterprise should measure the loss provision according to the expected credit loss for the entire duration of the instrument, but the calculation of interest income is different from that of financial assets in the first two stages. For financial assets that have experienced credit impairment, enterprises should calculate interest income based on their amortized cost (book balance minus provision for impairment, that is, book value) and actual interest rate.

For financial assets whose credit impairment has occurred at the time of purchase or origin, the enterprise shall only recognize the change in expected credit loss for the entire duration after initial recognition as loss provision, and calculate interest income based on its amortized cost and credit-adjusted effective interest rate.

(2) For financial instruments with lower credit risk on the balance sheet date, the Company chooses not to compare with the credit risk at the time of initial recognition, and directly assumes that the credit risk of the instrument has not increased significantly since the initial recognition.

If the enterprise determines that the default risk of the financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligation in the short term, and even if there are adverse changes in the economic situation and business environment over a longer period of time, it will not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligation, then the financial instrument may be regarded as having low credit risk.

(3) Receivables and lease receivables

The Company adopts the simplified model of expected credit loss for the receivables specified in the Accounting Standard for Business Enterprises No. 14 - Income, which does not contain significant financing components (including the case where the financing components of contracts not exceeding one year are not considered according to the standards), and its loss provision is always measured according to the amount of expected credit losses throughout the lifetime.

For receivables with significant financing components and lease receivables regulated by Accounting Standards for Business Enterprises No. 21 - Leases, the Company made an accounting policy choice and chose to adopt a simplified model of expected credit losses, that is, the loss provision is measured at an amount equivalent to the expected credit losses over the entire lifetime.

6. Transfer of financial assets

If the company has transferred almost all the risks and rewards of the ownership of the financial asset to the transferee, the recognition of the financial asset shall be terminated; if the company retains almost all the risks and rewards of the ownership of the financial asset, the recognition of the financial asset shall not be terminated.

If the company neither transfers nor retains almost all the risks and rewards in the ownership of financial assets, it shall be dealt with in the following situations: if it has given up control of the financial asset, it shall terminate the recognition of the financial asset and recognize the resulting assets and liabilities; if it has not given up control of the financial asset, the relevant financial assets shall be recognized according to the extent of its continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

If the financial assets continue to be involved by providing financial guarantees for the transferred financial assets, the assets formed by the continued involvement shall be recognized according to the lower of the book value of the financial assets and the amount of financial guarantees. The amount of financial guarantee refers to the maximum amount that will be required to be repaid among the consideration received.

12. Notes receivable

For the receivables specified in the Accounting Standards for Business Enterprises No. 14 - Income, which do not contain significant financing components (including the case where the financing components of contracts not exceeding one year are not considered according to the standards), the Company adopts the simplified model of expected credit loss, that is, the loss provision is always measured according to the amount of expected credit loss throughout the lifetime, and the amount of the resulting increase or reversal of the loss provision is included in the current profit and loss as an impairment loss or gain.

For receivables with significant financing components, the Group chooses to use a simplified model of expected credit losses, that is, its loss allowance is always measured by the amount of expected credit losses throughout its lifetime.

Simplified model of expected credit losses: Always measure its loss allowance by the amount of expected credit losses over the entire lifetime.

The Company estimates the expected credit loss on notes receivable on a single or combined basis, taking into account all reasonable and evidence-based information, including forward-looking information.

Combination name	The basis for determining the combination
Bank Acceptance Draft	Banks with lower credit risk
Commercial acceptance bill	Businesses with higher credit risk

13. Accounts receivable

For the receivables specified in the Accounting Standards for Business Enterprises No. 14 - Income, which do not contain significant financing components (including the case where the financing components of contracts not exceeding one year are not considered according to the standards), the Company adopts the simplified model of expected credit loss, that is, the loss provision is always measured according to the amount of expected credit loss throughout the lifetime, and the amount of the resulting increase or reversal of the loss provision is included in the current profit and loss as an impairment loss or gain.

For receivables with significant financing components, the Company chooses to use a simplified model of expected credit losses, that is, its loss allowance is always measured at the amount of expected credit losses throughout its lifetime.

Simplified model of expected credit losses: Always measure its loss allowance by the amount of expected credit losses over the entire lifetime.

The Company estimates expected credit losses on accounts receivable on a single or combined basis, taking into account all reasonable and evidence-based information, including forward-looking information. And using a simplified model of expected credit losses, the loss provision is always measured according to the expected credit losses for the entire duration. The accrual method is as follows:

1. At the end of the period, the accounts receivable that have objective evidence that they have been impaired shall be separately tested for impairment, and the impairment loss shall be recognized according to the difference between the present value of its estimated future cash flows and its book value, and the provision for bad debts shall be made.
2. When a single financial asset cannot evaluate the information of expected credit loss at a reasonable cost, it is feasible to evaluate whether the credit risk has increased significantly on the basis of combination. On the basis of the actual loss rate of accounts receivable in previous years, the judgment of future recovery risk and the analysis of credit risk characteristics, the Company determines the expected credit loss rate and makes provision for bad debts accordingly.

Combination name	Withdrawal method
Aging credit risk feature portfolio	Expected credit loss
Related party nature combination	Expected credit loss

For accounts receivable classified as a combination of aging credit risk characteristics, the Company compiles a comparison table between the aging combination of accounts receivable and the expected credit loss rate for the entire duration with reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, and calculates expected credit losses.

The impairment ratio of expected credit losses based on the combination of aging credit risk characteristics:

Aging	Expected credit loss ratio
Within 1 year (including 1 year)	5%
1 ~ 2 years (including 2 years)	10%
2 ~ 3 years (including 3 years)	20%
3 ~ 4 years (including 4 years)	50%
More than 4 years	100%

3. The Company classifies accounts receivable from subsidiaries within the scope of consolidation that have no significant risk of recovery as related party portfolios, and makes provision for impairment based on expected credit losses.

14. Accounts receivable financing

Financial assets that meet the following conditions are classified as financial assets measured at fair value and whose changes are included in other comprehensive income: The company's business model for managing the financial assets is to both collect contractual cash flows and sell financial assets; the contractual terms of the financial assets stipulate that the cash flows generated on a specific date are only the payment of principal and interest based on the outstanding principal amount.

The company transfers the receivables held by the company in the form of discounts or endorsements, and if this type of business is frequent and involves a large amount, its management business model is essentially to collect contractual cash flows and sell them. According to the relevant provisions of the financial instrument standards, they are classified into financial assets that are measured at fair value and whose changes are included in other comprehensive income.

15. Other receivables

The Company adopts the general model of expected credit loss for other receivables (see Note 3. (11) Financial Instruments for details).

The Company measures the loss provision for other receivables according to the following circumstances: ① For financial assets whose credit risk has not increased significantly since the initial recognition, the Company measures the loss provision according to the amount of expected credit loss in the next 12 months; ② For financial assets whose credit risk has increased significantly since the initial recognition, the Company measures the loss provision according to the amount equivalent to the expected credit loss over the entire life of the financial instrument; ③ For the purchase or generation of financial assets that have experienced credit impairment, the Company shall measure the loss provision at an amount equivalent to the expected credit loss during the entire duration. For other receivables, the Company cannot obtain sufficient evidence of a significant increase in credit risk at a reasonable cost at the level of individual instruments, and it is feasible to assess whether the credit risk has increased significantly on the basis of combination. Therefore, the Company groups other receivables according to the common risk characteristics of financial instrument type, credit risk rating, initial recognition date and remaining contract term, and considers whether the credit risk has increased significantly on the basis of combination.

1. The expected credit loss is measured on a portfolio basis, and the Company accrues the expected credit loss ratio according to the corresponding aging portfolio. The impairment ratios for expected credit losses based on the combination of aging credit risk characteristics are as follows:

Aging	Expected credit loss ratio of other receivables
Within 1 year (including 1 year)	5%
1 ~ 2 years (including 2 years)	10%
2 ~ 3 years (including 3 years)	20%
3 ~ 4 years (including 4 years)	50%
More than 4 years	100%

2. The Company classifies accounts receivable from subsidiaries within the scope of consolidation and other accounts without significant risk of recovery into nature portfolios, and makes provision for impairment based on expected credit losses.

3. The Company separately conducts impairment tests on other receivables with significantly different credit risk characteristics such as the debtor's credit status has deteriorated significantly, the possibility of future repayment is low, and credit impairment has occurred.

16. Contract assets

1. Recognition methods and standards of contract assets

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration (except receivables) to which the Company has transferred goods or provided services to customers is shown as contract assets.

2. Determination method and accounting treatment method of expected credit loss of contract assets

For contract assets that do not contain significant financing components, the Company adopts a simplified model of expected credit losses, that is, the loss provision is always measured at an amount equivalent to the expected credit loss for the entire lifetime, and the resulting increase or reversal of the loss provision is included in the current profit and loss as an impairment loss or gain.

For contract assets with significant financing components, the Company chooses to adopt a simplified model of expected credit losses, that is, the loss provision is always measured at an amount equivalent to the expected credit loss for the entire lifetime, and the resulting increase or reversal of the loss provision is included in the current profit and loss as an impairment loss or gain.

17. Inventory

1. Classification of inventory

Inventory refers to the finished products or commodities held by the enterprise for sale in daily activities, the products in the production process, the products in the entrusted processing, the materials and materials consumed in the production process or the provision of labor services, etc.

The company's inventory is divided into raw materials, products in progress, goods in stock, goods shipped, etc.

2. Valuation method for issued inventory

Issued inventory adopts the month-end weighted average method.

3. The basis for determining the net realizable value of inventories and the method of accruing inventory depreciation reserves

On the balance sheet date, inventories are measured at the lower of cost and net realizable value, and inventory depreciation reserves are made based on the difference between the cost of the inventory category and the net realizable value. For inventories directly used for sale, the net realizable value shall be determined by the estimated selling price of the inventory minus the estimated selling expenses and relevant taxes in the normal production and operation process; for inventories that need to be processed, the net realizable value shall be determined by the estimated selling price of the finished goods produced in the normal production and operation process minus the estimated costs to be incurred at the time of completion, estimated selling expenses and relevant taxes; On the balance sheet date, if part of the same inventory has a contract price agreement and other parts do not have a contract price, the net realizable value shall be determined respectively, and the corresponding cost shall be compared, and the amount of provision for inventory depreciation shall be determined respectively.

4. Inventory system

The inventory system of inventory adopts the perpetual inventory system.

5. Amortization method of low-value consumables and packaging

Amortization is carried out according to the one-off write-off method.

18. Long-term equity investment

1. Determination of investment cost

(1) In the case of a business combination under the same control, if the merging party pays cash, transfers non-cash assets, assumes debts or issues equity securities as the merger consideration, the initial investment cost shall be the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party on the merger date. The difference between the initial investment cost of the long-term equity investment and the book value of the combined consideration paid or the total face value of the issued shares shall be adjusted to the capital reserve (capital premium or share capital premium); if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

If a business combination under the same control is realized step by step, the initial investment cost of the investment shall be the share of the book owner's equity of the merged party on the merger date calculated on the basis of the shareholding ratio. The difference between the initial investment cost and the book value of the original long-term equity investment plus the book value of the newly paid consideration for further shares obtained on the merger date shall be adjusted to the capital reserve (capital premium or share capital premium). If the capital reserve is insufficient to offset, the retained earnings shall be offset.

(2) In the case of a business combination not under the same control, the fair value of the merger consideration paid on the purchase date shall be used as its initial investment cost.

(3) Except for the formation of a business combination: if it is obtained by paying cash, the actual purchase price shall be used as its initial investment cost; if it is obtained by issuing equity securities, the fair value of the issued equity securities shall be used as its initial investment cost; if the investor invests, the value agreed in the investment contract or agreement shall be used as its initial investment cost (except if the value agreed in the contract or agreement is not fair).

2. Subsequent measurement and profit and loss recognition method

Long-term equity investments in which the Company can exercise control over the investee are accounted for using the cost method in the Company's individual financial statements; long-term equity investments with common control or significant influence are accounted for using the equity method.

When the cost method is adopted, the long-term equity investment is priced at the initial investment cost. Except for the declared but not yet distributed cash dividends or profits included in the actual payment or consideration when the investment is obtained, the cash dividends or profits declared and distributed by the investee are recognized as current investment income. At the same time, whether the long-term investment is impaired is considered according to the relevant asset impairment policy.

When adopting the equity method, if the initial investment cost of a long-term equity investment is greater than the fair value share of the investee's identifiable net assets at the time of investment, it shall be included in the initial investment cost of the long-term equity investment; if the initial investment cost of the long-term equity investment is less than the fair value share of the investee's identifiable net assets at the time of investment, the difference shall be included in the current profit and loss, and the cost of the long-term equity investment shall be adjusted at the same time.

When the equity method is adopted, after the long-term equity investment is obtained, the investment profit and loss shall be recognized and the book value of the long-term equity investment shall be adjusted according to the share of the net profit and loss realized by the invested entity that should be enjoyed or shared. When confirming the share that should be entitled to the net profit and loss of the investee, based on the fair value of the identifiable assets of the investee at the time of acquisition of the investment, in accordance with the accounting policies and accounting period of the Company, and offsetting the internal transaction gains and losses that occur with associates and joint ventures, the part attributable to the invested enterprise shall be calculated according to the shareholding ratio (but if the internal transaction losses are asset impairment losses, they shall be fully recognized), and the net profit of the investee shall be recognized after adjustment. Calculate the part that should be distributed according to the profit or cash dividend declared by the investee, and reduce the book value of the long-term equity investment accordingly. The company recognizes the net loss incurred by the investee, and the book value of the long-term equity investment and other long-term equity that substantially constitutes the net investment in the investee are written down to zero, unless the company has the obligation to bear additional losses. For other changes in the owner's equity of the investee other than the net profit and loss, the book value of the long-term equity investment is adjusted and included in the owner's equity.

3. Determine the basis for controlling and having significant influence on the investee

Control means having the power over the investee, enjoying variable returns by participating in the relevant activities of the investee, and having the ability to use the power over the investee to influence the amount of return; significant influence means that the investor has the power to participate in decision-making on the financial and operating policies of the investee, but cannot control or jointly control the formulation of these policies with other parties.

4. Disposal of long-term equity investments

(1) Partial disposal of long-term equity investments in subsidiaries without losing control

When the long-term equity investment in a subsidiary is partially disposed of without losing control, the difference between the disposal price and the book value corresponding to the disposal investment shall be recognized as the current investment income.

(2) Circumstances where control of the subsidiary is lost due to partial disposal of equity investment or other reasons

If part of the equity investment is disposed of or the control of the subsidiary is lost due to other reasons, the book value of the long-term equity investment corresponding to the equity sold shall be carried forward, and the difference between the sale proceeds and the book value of the long-term equity investment shall be recognized as investment income (loss); at the same time, the remaining equity shall be recognized as a long-term equity investment or other relevant financial assets based on its book value. If the remaining equity after disposal can exercise joint control or have a significant influence on the subsidiary, the accounting treatment shall be carried out in accordance with the relevant provisions of the conversion of the cost method to the equity method.

5. Impairment test method and impairment provision method

For investments in subsidiaries, associates and joint ventures, if there is objective evidence on the balance sheet date that they are impaired, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount.

19. Investment real estate

Investment real estate measurement model

Cost method measurement

Depreciation or amortization method

1. Investment real estate includes leased land use rights, land use rights held and ready to be transferred after appreciation, and leased buildings.

2. Investment real estate is initially measured according to cost, and subsequent measurement is carried out using the cost model, and depreciation or amortization is carried out using the same method as fixed assets and intangible assets. On the balance sheet date, if there are signs that the investment real estate is impaired, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount.

20. Fixed assets

(1) Confirmation conditions

The fixed assets of a company refer to the tangible assets held for the production of goods, the provision of labor services, the lease or the operation and management, and the useful life exceeds one fiscal year.

Fixed assets are recorded at the actual cost at the time of acquisition, and depreciation is accrued using the average life method from the month after they reach the expected usable state.

(2) Depreciation method

Category	Depreciation method	Depreciation period	Residual value rate	Annual depreciation rate
Houses and buildings	Life average method	20-50 years	5.00%	4.75%-1.90%
Machine equipment	Life average method	5-10 years	5.00%	9.50%-19.00%
Means of transport	Life average method	4-10 years	5.00%	9.50%■23.75%
Electronic equipment and others	Life average method	3-5 years	5.00%	19.00%■31.67%

21. Construction in progress

1. When the construction in progress reaches the expected usable state, it shall be transferred to fixed assets according to the actual cost of the project. If it has reached the expected usable state but has not yet completed the final accounts, it shall be transferred to the fixed assets according to the estimated value. After the final accounts are completed, the original provisional estimated value shall be adjusted according to the actual cost, but the original depreciation shall not be adjusted.

2. On the balance sheet date, if there are signs that the construction in progress is impaired, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount.

22. Borrowing costs

1. Recognition principles for capitalization of borrowing costs

The company's borrowing costs, which can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions, are capitalized and included in the cost of the relevant assets; other borrowing costs are recognized as expenses when incurred and included in the current profit and loss.

2. Period of capitalization of borrowing costs

(1) Capitalization begins when the borrowing costs meet the following conditions: 1) the expenditure on the asset has been incurred; 2) the borrowing costs have been incurred; and 3) the acquisition, construction or production activities necessary to bring the asset into its intended usable or saleable state have started.

(2) If an asset that meets the capitalization conditions is abnormally interrupted during the acquisition, construction or production process, and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended; the borrowing costs incurred during the interruption period shall be recognized as current expenses until the acquisition, construction or production activities of the asset restart.

(3) When the purchased, constructed or produced assets that meet the capitalization conditions reach the intended usable or saleable state, the borrowing costs shall cease to be capitalized.

3. Capitalized amount of borrowing costs

Where special loans are borrowed for the purpose of purchasing, constructing or producing assets that meet the capitalization conditions, the amount of interest that should be capitalized shall be determined based on the actual interest expenses incurred in the current period of the special loans (including the amortization of discounts or premiums determined according to the effective interest rate method), minus the amount of interest income obtained by depositing the unused borrowed funds in the bank or investment income obtained by making temporary investments; If general borrowings are occupied for the acquisition, construction or production of assets that meet the capitalization conditions, the amount of interest that should be capitalized for general borrowings shall be calculated and determined based on the weighted average number of accumulated asset expenditures exceeding the asset expenditures of special borrowings multiplied by the capitalization rate of general borrowings.

23. Intangible assets

(1) The useful life and its determination basis, estimate, amortization method or review procedure

1. Intangible assets include land use rights, software, etc., which are initially measured at cost.

2. Intangible assets with a limited useful life shall be amortized systematically and reasonably according to the expected realization method of the economic benefits related to the intangible asset within the useful life. If the expected realization method cannot be reliably determined, the straight-line method shall be used for amortization.

Land use rights are amortized evenly over the remaining useful life (usually 50 years), and software is amortized evenly over 3-5 years.

3. For intangible assets with a definite useful life, if there are signs of impairment on the balance sheet date, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount; intangible assets with uncertain useful life and intangible assets that have not yet reached the usable state, regardless of whether there are signs of impairment, shall be tested for impairment every year. The company currently has no intangible assets with uncertain useful lives.

(2) The collection scope of R&D; expenditure and related accounting treatment methods

Expenses in the research phase of internal research and development projects are included in the current profit and loss when incurred. Expenditures in the development stage of an internal research and development project are recognized as intangible assets if the following conditions are met: (1) it is technically feasible to complete the intangible asset so that it can be used or sold; (2) it has the intention to complete the intangible asset and use or sell it; (3) The way in which the intangible asset generates economic benefits, including the ability to prove that the product produced by using the intangible asset exists in the market or the intangible asset itself exists in the market, and the intangible asset will be used internally, which can prove its usefulness; (4) it has sufficient technical, financial and other resource support to complete the development of the intangible asset and has the ability to use or sell the intangible asset; and (5) the expenditure attributable to the development stage of the intangible asset can be reliably measured.

24. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual amount and amortized evenly in installments over the benefit period or the specified period. If the long-term deferred expense item cannot benefit future accounting periods, all the amortized value of the item that has not been amortized shall be transferred to the current profit and loss.

25. Contract liabilities

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The obligation of the Company to transfer goods or provide services to customers for the consideration received or receivable from customers is listed as contract liabilities.

26. Employee compensation

(1) Accounting treatment of short-term compensation

During the accounting period when employees provide services, the company recognizes the actual short-term compensation as a liability and includes it in the current profit and loss or the cost of related assets. Among them, non-monetary benefits are measured at fair value.

(2) Accounting treatment of post-employment benefits

The employees of the company have participated in the basic social endowment insurance organized and implemented by the local labor and social security departments. The company pays endowment insurance premiums to the local social basic endowment insurance agency on a monthly basis based on the local social basic endowment insurance payment base and proportion. After employees retire, the local labor and social security departments are responsible for paying basic social pensions to retired employees. During the accounting period when the employees provide services, the company will recognize the amount payable according to the above-mentioned social security regulations as a liability and include it in the current profit and loss or the cost of related assets.

(3) Accounting treatment of dismissal benefits

The Company terminates the labor relationship with the employee before the expiration of the employee's labor contract, or proposes to provide compensation to encourage the employee to voluntarily accept the layoff. When the Company cannot unilaterally withdraw the plan to terminate the labor relationship or the layoff proposal and confirm the costs and expenses related to the reorganization involving the payment of dismissal benefits, the liabilities arising from the compensation for the termination of the labor relationship with the employee shall be recognized and included in the current profit and loss.

27. Share-based payment

1. Types of share-based payments

Includes equity-settled share-based payments and cash-settled share-based payments.

2. How to determine the fair value of equity instruments

(1) If there is an active market, it shall be determined according to the quoted price in the active market.

(2) If there is no active market, it shall be determined by using valuation techniques, including reference to prices used in recent market transactions by parties familiar with the situation and voluntarily trading, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method and option pricing models, etc.

3. The basis for confirming the best estimate of exercisable equity instruments

Estimates are made based on the latest obtained follow-up information such as changes in the number of exercisable employees.

4. Relevant accounting treatment for the implementation, modification and termination of share-based payment plans

(1) Equity-settled share-based payments

Equity-settled share-based payments that are exercisable in exchange for employee services immediately after the grant are included in the relevant costs or expenses based on the fair value of the equity instruments on the grant date, and the capital reserve is adjusted accordingly. For equity-settled share-based payments in exchange for employee services after completing the service within the waiting period or meeting the specified performance conditions, on each balance sheet date during the waiting period, based on the best estimate of the number of exercisable equity instruments, the services obtained in the current period are included in the relevant costs or expenses at the fair value on the date of grant of the equity instruments, and the capital reserve is adjusted accordingly.

If the fair value of the services of other parties can be reliably measured, the equity-settled share-based payment in exchange for the services of other parties shall be measured at the fair value of the services of other parties on the acquisition date; if the fair value of the services of other parties cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, the equity instruments shall be measured at the fair value of the services on the acquisition date and included in the relevant costs or expenses, and the owner's equity shall be increased accordingly.

(2) Cash-settled share-based payments

The cash-settled share-based payments that are exercisable in exchange for employee services immediately after the grant are included in the relevant costs or expenses at the fair value of the liabilities assumed by the Group on the date of grant, and the liabilities are increased accordingly. For cash-settled share-based payments in exchange for employee services after completing the service within the waiting period or meeting the specified performance conditions, on each balance sheet date during the waiting period, based on the best estimate of the exercisability, the services obtained in the current period are included in the relevant costs or expenses and corresponding liabilities based on the fair value of the liabilities assumed by the Company.

(3) Modification and termination of share-based payment plan

If the modification increases the fair value of the equity instruments granted, the Company recognizes the increase in the obtained services according to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the Company recognizes the increase in the fair value of the increased equity instruments as the increase in the obtained services; if the Company modifies the vesting conditions in a way that is beneficial to the employees, the Company will consider the revised vesting conditions when dealing with the vesting conditions.

If the modification reduces the fair value of the equity instruments granted, the Company continues to recognize the amount of services obtained based on the fair value of the equity instruments at the grant date, regardless of the reduction in the fair value of the equity instruments; if the modification reduces the number of equity instruments granted, the Company will treat the reduction as the cancellation of the equity instruments granted; If the exercise conditions are modified in a way that is not conducive to the employees, the revised exercise conditions will not be considered when dealing with the exercise conditions.

If the Company cancels the granted equity instrument or settles the granted equity instrument within the waiting period (except for cancellation due to non-fulfillment of the vesting condition), the cancellation or settlement will be treated as an accelerated vesting, and the amount originally recognized within the remaining waiting period will be immediately recognized.

28. Income

Disclosure of accounting policies used for revenue recognition and measurement by business type

1. Recognition of revenue

The Company's revenue primarily consists of sales of power adapters and server power supplies.

The Company fulfills its performance obligations in the contract, that is, recognizes revenue when the customer obtains control of the relevant product. Obtaining control of the relevant commodity means being able to dominate the use of the commodity and obtain almost all economic benefits from it.

2. According to the relevant provisions of the revenue standard, the company judges that the relevant performance obligations are "performance obligations performed within a certain period of time" or "performance obligations performed at a certain point in time", and revenue is recognized according to the following principles.

(1) If the company meets one of the following conditions, it is a performance obligation within a certain period of time:

① The customer obtains and consumes the economic benefits brought by the company's performance at the same time as the company performs the contract.

② The customer can control the assets under construction in the process of the company's performance.

③ The assets produced by the company in the process of performance are irreplaceable, and the company has the right to receive payment for the accumulated performance part during the entire contract period.

For performance obligations performed within a certain period of time, the Company recognizes revenue according to the performance progress during that period, unless the performance progress cannot be reasonably determined. The company considers the nature of the commodity and adopts the output method or the input method to determine the appropriate performance progress.

(2) For performance obligations that are not performed within a certain period of time, but are performed at a certain point in time, the Company recognizes revenue when the customer obtains control of the relevant product.

When judging whether a customer has obtained control of a product, the Company considers the following indications:

- ① The company has the current right to receive payment for the product, that is, the customer has the current payment obligation for the product.
- ② The company has transferred the legal ownership of the commodity to the customer, that is, the customer already has the legal ownership of the commodity.
- ③ The company has transferred the commodity to the customer in kind, that is, the customer has physical possession of the commodity.
- ④ The company has transferred the main risks and rewards of the ownership of the commodity to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the commodity.
- ⑤ The customer has accepted the product.
- ⑥ Other signs that the customer has obtained control of the product.

The specific policy of the company's revenue recognition:

For products sold by the company to domestic customers, the goods are delivered to the location designated by the buyer, and the sales revenue is recognized after the customer signs for it; for products sold by the company to overseas customers, the goods are exported through customs declaration, and the sales revenue is recognized after the customs declaration procedures are completed; for products traded by the company and customers through vendor-managed inventory (VMI), the sales revenue is recognized after the customers actually receive the goods.

3. Income measurement

The company shall measure revenue based on the transaction price allocated to each individual performance obligation. When determining the transaction price, the Company considers the influence of factors such as variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to customers.

(1) Variable consideration

The company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration should not exceed the amount of the accumulated recognized revenue that will most likely not be reversed materially when the relevant uncertainty is eliminated. When assessing whether the accumulated recognized income is very likely not to undergo a major reversal, the enterprise shall also consider the possibility of revenue reversal and its proportion.

(2) Significant financing component

If there is a significant financing component in the contract, the company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the commodity. The difference between the transaction price and the contract consideration shall be amortized using the effective interest method during the contract period.

(3) Non-cash consideration

If the customer pays the non-cash consideration, the company determines the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the Company indirectly determines the transaction price with reference to the individual selling price of the commodity it promises to transfer to the customer.

(4) Consideration payable to customers

For the consideration payable to the customer, the consideration payable shall be offset against the transaction price, and the current income shall be offset against the later of the recognition of the relevant revenue and the payment (or commitment to pay) the customer consideration, except that the consideration payable to the customer is to obtain other clearly distinguishable commodities from the customer.

If the consideration paid by the enterprise to the customer is to obtain other clearly distinguishable commodities from the customer, the purchased commodities shall be confirmed in a manner consistent with other purchases by the enterprise. If the consideration payable by the enterprise to the customer exceeds the fair value of the clearly distinguishable commodity obtained from the customer, the transaction price shall be offset by the excess amount. If the fair value of the clearly distinguishable commodity obtained from the customer cannot be reasonably estimated, the enterprise shall offset the transaction price in full against the consideration payable to the customer.

Similar businesses adopt different business models and involve different revenue recognition methods and measurement methods

29. Government subsidies

1. Government grants include government grants related to assets and government grants related to earnings.

2. If the government subsidy is a monetary asset, it shall be measured according to the amount received or receivable; if the government subsidy is a non-monetary asset, it shall be measured at fair value, and if the fair value cannot be obtained reliably, it shall be measured at the nominal amount.

3. Government subsidies use the gross method:

(1) Government subsidies related to assets are recognized as deferred income and included in profit and loss in installments over the useful life of the relevant assets in a reasonable and systematic manner. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the balance of the relevant deferred income that has not been distributed shall be transferred to the profit and loss of the current period of asset disposal.

(2) Government subsidies related to income, which are used to compensate related expenses or losses in subsequent periods, are recognized as deferred income, and are included in the current profit and loss during the period when the relevant expenses are recognized; if they are used to compensate related expenses or losses that have occurred, they are directly included in the current profit and loss.

4. Government subsidies use the net method:

(1) Government subsidies related to assets to offset the book value of related assets;

(2) The government subsidy related to income, which is used to compensate the relevant expenses or losses in subsequent periods, is recognized as deferred income, and the relevant costs are offset during the period when the relevant expenses are recognized; if it is used to compensate the relevant expenses or losses incurred, the relevant costs are directly offset.

5. The company uses the gross method to account for the government subsidies received.

6. For government subsidies that include both asset-related parts and income-related parts, different parts are accounted for separately; if it is difficult to distinguish, the whole is classified as income-related government subsidies.

7. The Company shall include the government subsidies related to the daily activities of the Company as other income according to the substance of the business; the government subsidies not related to the daily activities of the Company shall be included in the non-operating income and expenditure.

8. The company will obtain the policy preferential loan interest discount according to the two situations where the finance will allocate the interest discount funds to the lending bank and the finance will directly allocate the interest discount funds to the company:

(1) If the finance department allocates the interest subsidy funds to the lending bank, and the lending bank provides loans to the company at a policy-based preferential interest rate, the company chooses to conduct accounting treatment according to the following methods:

1) The actual loan amount received is used as the entry value of the loan, and the relevant borrowing costs are calculated according to the loan principal and the policy preferential interest rate.

2) The fair value of the loan is used as the entry value of the loan and the borrowing cost is calculated according to the effective interest method. The difference between the actual amount received and the fair value of the loan is recognized as deferred income. Deferred income is amortized using the effective interest method over the duration of the loan to offset related borrowing costs.

(2) If the finance company directly allocates the interest discount funds to the company, the company will offset the relevant borrowing costs with the corresponding interest discount.

30. Deferred Tax Assets/Deferred Tax Liabilities

1. According to the difference between the book value of assets and liabilities and their tax bases (if the tax bases of items not recognized as assets and liabilities can be determined in accordance with the provisions of the tax law, the difference between the tax bases and their book amounts), the Deferred Tax Assets or Deferred Tax Liabilities are calculated and recognized at the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are liquidated.

2. Confirm that the Deferred Tax Assets are limited to the taxable income that is likely to be obtained to offset the deductible temporary differences. On the balance sheet date, if there is conclusive evidence that it is likely to obtain sufficient taxable income in the future period to offset the deductible temporary differences, the Deferred Tax Assets that have not been recognized in the previous accounting period are recognized.

3. On the balance sheet date, the book value of the Deferred Tax Assets is reviewed. If it is likely that sufficient taxable income cannot be obtained in the future to offset the benefits of the Deferred Tax Assets, the book value of the Deferred Tax Assets is written down. The amount written down is reversed when it is probable that sufficient taxable income will be obtained.

4. The current income tax and Deferred Income Taxes of the Company are included in the current profit and loss as income tax expenses or income, but do not include the income tax arising from the following circumstances: (1) business combination; (2) transactions or events recognized directly in owner's equity.

31. Lease

(1) Accounting treatment method for lease as lessee

When the Company is the lessee, on the start date of the lease term, in addition to short-term leases and low-value asset leases that choose to use simplified treatment, right-of-use assets and lease liabilities are recognized for the lease.

After the start date of the lease term, the Company adopts the cost model for subsequent measurement of the right-of-use assets. Depreciation is made for right-of-use assets with reference to the relevant depreciation provisions of "Accounting Standards for Business Enterprises No. 4 - Fixed Assets". If the lessee can reasonably determine that it obtains the ownership of the leased asset when the lease term expires, it shall make depreciation within the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining useful life of the leased asset. In accordance with the "Accounting Standards for Business Enterprises No. 8 - Asset Impairment", the Company determines whether the right-of-use assets are impaired, and accounts for the identified impairment losses.

The Company calculates the interest expense of the lease liability for each period of the lease term at a fixed periodic interest rate and includes it in the current profit and loss. If it should be included in the cost of relevant assets in accordance with the "Accounting Standards for Business Enterprises No. 17 - Borrowing Costs" and other standards, those provisions shall prevail.

For short-term leases and low-value asset leases, the Company chooses not to recognize right-of-use assets and lease liabilities, and the lease payments for short-term leases and low-value asset leases are included in the relevant asset cost or current profit and loss on a straight-line basis during each period of the lease term.

(2) Accounting treatment method for lease as lessor

(1) Finance lease

If the Company is the lessor, on the start date of the lease term, it recognizes the finance lease receivables for the finance lease, and terminates the recognition of the finance lease assets, and calculates and recognizes the interest income for each period of the lease term at a fixed cyclical interest rate.

(2) Operating lease

The Company, as the lessor, adopts the straight-line method to recognize the lease receipts from operating leases as rental income during each period of the lease term. The initial direct expenses incurred related to the operating lease are capitalized, amortized on the same basis as the rental income during the lease term, and included in the current profit and loss in installments.

For the fixed assets in the operating lease assets, the company shall use the depreciation policy of similar assets to accrue depreciation; for other operating lease assets, it shall be amortized in a systematic and reasonable manner in accordance with the applicable enterprise accounting standards for the assets. In accordance with the "Accounting Standards for Business Enterprises No. 8 - Asset Impairment", the Company determines whether the operating lease assets are impaired and conducts corresponding accounting treatments.

32. Changes in significant accounting policies and accounting estimates

(1) Changes in important accounting policies

Applicable Not applicable

Unit:
Yuan

Contents and reasons for changes in accounting policies	The name of the report item that is significantly affected	Amount affected
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According to the "Accounting Standards for Business Enterprises Interpretation No. 16", the taxable temporary differences and deductible temporary differences arising from right-of-use assets and lease liabilities are recognized as corresponding "Deferred Tax Liabilities" and "Deferred Tax Assets" respectively.	Deferred Tax Assets, Deferred Tax Liabilities, undistributed profits, minority interests	Infuse
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Note: Since January 1, 2023, the company has implemented the relevant provisions of "The Deferred Income Taxes related to assets and liabilities arising from a single transaction is not applicable to the accounting treatment of initial recognition exemption" in the "Accounting Standards for Business Interpretation No. 16", which did not have a significant impact on the company's financial statements during the reporting period. The details are as follows: The Deferred Tax Assets on the Consolidated Balance Sheets on January 1, 2023 were increased by 9,832,621.71 yuan. Deferred Tax Liabilities increased by RMB 9,574,922.85, undistributed profits increased by RMB 259,266.02, and minority shareholders' equity decreased by RMB 1,567.16.

On the balance sheet of the parent company on January 1, 2023, the Deferred Tax Assets increased by 5,898,545.01 yuan, the Deferred Tax Liabilities increased by 5,750,560.71 yuan, and the undistributed profit increased by 147,984.30 yuan.

(2) Changes in significant accounting estimates

■ Applicable Not Applicable

(3) From 2023 onwards, the new accounting standards will be implemented for the first time to adjust the items related to the financial statements at the beginning of the year

■ Applicable Not Applicable

VI. Taxes

1. Main taxes and tax rates

Tax	Tax basis	Tax rate
VAT	Taxable income	5%,6%,9%,13%
Urban maintenance and construction tax	Actual turnover tax paid	7%
Corporate income tax	Taxable income	See the table below for details
Education surcharge	Taxable income	3%
Local education fee surcharge	Taxable income	2%

If there are taxpayers with different corporate income tax rates, the disclosure statement

Taxpayer name	Income tax rate
Shenzhen Honor Electronic Co., Ltd.	15.00%
Honor Electron (Ganzhou) Electronics Co., Ltd	15.00%
Dongguan Honor Electron Electronics Co., Ltd	15.00%
Hong Kong Honor Electron Technology Co., Ltd	16.50%
Vietnam Honor Electron Technology Co., Ltd	10.00%
Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch	20.00%
(USA) Axnon LLC	21.00%
Hangzhou Yundian Technology Energy Co., Ltd	15.00%
Shenzhen Honor Electron Zhilian Technology Co., Ltd	25.00%
Shanghai Anshibo Energy Technology Co., Ltd	25.00%
Suzhou Bodian Yunke Energy Technology Co., Ltd	25.00%
Hangzhou Honor Electron Electronic Technology Co., Ltd	25.00%
Suzhou Yundian Electronic Manufacturing Co., Ltd	25.00%

Shanghai Honor Electron Electronic Technology Co., Ltd	25.00%
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2. Tax incentives

(1): On December 23, 2021, Shenzhen Science and Technology Innovation Commission, Shenzhen Municipal Finance Bureau, and Shenzhen Taxation Bureau of the State Administration of Taxation identified the company as a high-tech enterprise (certificate number: GR202144204471), valid for three years, and the company enjoys a preferential tax rate of 15%.

(2) According to the relevant tax policy provisions of the Announcement on Continuing the Enterprise Income Tax Policy for the Western Development by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation (Announcement No. 23 of 2020 of the Ministry of Finance), from January 1, 2021 to December 31, 2030, the enterprise income tax will be levied at a reduced tax rate of 15% for enterprises in encouraged industries located in the western region. Honor Electron (Ganzhou) Electronics Co., Ltd. enjoys preferential corporate income tax policies.

(3): On December 28, 2023, Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, and Guangdong Provincial Taxation Bureau of the State Administration of Taxation identified Dongguan Honor Electron as a high-tech enterprise (certificate number: GR202344007059), valid for three years, and Dongguan Honor Electron enjoys a preferential tax rate of 15%.

(4): On December 8, 2023, Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Taxation Bureau of the State Administration of Taxation identified Hangzhou Yundian as a high-tech enterprise (certificate number: GR202333005336), valid for three years, and Hangzhou Yundian enjoys a preferential tax rate of 15%.

3. Other

According to the relevant regulations on enterprise income tax in Vietnam, Vietnam Honor Electron Technology Co., Ltd. shall be subject to the ordinary enterprise income tax rate of Vietnam from the year when the turnover is generated; and the enterprise income tax exemption is exempted for the first two years from the year when the taxable income is generated, and halved for the following four years. If no taxable income is generated in the first three years, the exemption will take effect from the fourth year, and the actual preferential tax rate of 10.00% will be reduced by half in 2023.

VII. Notes to items in the consolidated financial statements

1. Monetary funds

Unit:
Yuan

Projects	Ending balance	Opening balance
Cash on hand	27,752.25	5,961.65
Bank deposit	520,421,625.93	430,590,321.90
Other monetary funds	148,632,942.07	87,177,103.43
Total	669,082,320.25	517,773,386.98
Including: the total amount of money deposited abroad	104,637,246.17	97,340,741.99

Other instructions:

The balance of other monetary funds at the end of the period was 148,632,942.07 yuan, of which the ending balance of the raised funds account for investment funds was 3,367.56 yuan, the ending balance of the special securities account for repurchase was 7,426,515.80 yuan, the ending balance of the bank acceptance bill margin was 118,302,037.93 yuan, and the funds frozen in the dispute over the sale and purchase contract

1,652,920.78 yuan, and the ending balance of time deposits is 21,248,100.00 yuan. Among other monetary funds, the bank acceptance bill deposit is 118,302,037.93 yuan, the funds frozen in the sale and purchase contract disputes are 1,652,920.78 yuan, and the time deposit is 21,248,100.00 yuan as restricted funds.

At the end of the period, there are no funds deposited overseas and the repatriation of funds is restricted.

2. Transactional financial assets

Unit: Yuan

Projects	Ending balance	Opening balance
Financial assets measured at fair value and whose changes are included in the current profit and loss	0.00	70,117,200.00
Of which:		
Structured deposits	0.00	70,117,200.00
Of which:		
Total		70,117,200.00

Other instructions:

3. Notes receivable

(1) Classification of bills receivable

Unit: Yuan

Projects	Ending balance	Opening balance
Bank acceptance note	143,980,667.52	52,678,034.96
Commercial acceptance note	19,154,593.79	5,872,770.01
Less: provision for bad debts	-957,729.69	-293,638.50
Total	162,177,531.62	58,257,166.47

(2) Disclosure by classification according to bad debt accrual method

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Of which:										
Notes receivable with provision for bad debts by portfolio	19,154,593.79	100.00%	957,729.69	5.00%	18,196,864.10	5,872,770.01	100.00%	293,638.50	5.00%	5,579,131.51
Of which:										
Including: Commercial Acceptance Bill	19,154,593.79	100.00%	957,729.69	5.00%	18,196,864.10	5,872,770.01	100.00%	293,638.50	5.00%	5,579,131.51

Total	19,154,593.79	100.00%	957,729	5.00%	18,196,	5,872,7	100.00%	293,638	5.00%	5,579,1.6 9864.107 0.01.5031 .51
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Provision for bad debts by combination: RMB 957,729.69

Unit:
Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year	19,154,593.79	957,729.69	5.00%
Total	19,154,593.79	957,729.69	

Description of the basis for determining the combination:

If the provision for bad debts of bills receivable is made according to the general model of expected credit loss:

■ Applicable Not Applicable

(3) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit:
Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Notes receivable with expected credit loss by portfolio	293,638.50	664,091.19				957,729.69
Total	293,638.50	664,091.19				957,729.69

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

■ Applicable Not Applicable

(4) Notes receivable pledged by the company at the end of the period

Unit:
Yuan

Projects	Pledged amount at the end of the period
Bank acceptance note	61,096,917.46
Commercial acceptance note	13,847,588.29
Total	74,944,505.75

(5) Notes receivable that have been endorsed or discounted by the company at the end of the period and are not yet due on the balance sheet date

Unit:
Yuan

Projects	Termination amount at the end of the period	Unrecognized amount at the end of the period

Bank acceptance note		68,788,726.57
Commercial acceptance note		639,250.00
Total		69,427,976.57

4. Accounts receivable

(1) Disclosure by age

Unit:
Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	934,645,648.64	858,486,261.60
1 to 2 years	3,588,198.89	879,666.52
2 to 3 years	216,201.10	9,796,926.03
More than 3 years	11,968,243.46	2,202,955.56
3 to 4 years	9,767,033.71	415,316.29
4 to 5 years	415,316.29	1,763,430.31
More than 5 years	1,785,893.46	24,208.96
Total	950,418,292.09	871,365,809.71

(2) Disclosure by classification according to bad debt accrual method

Unit:
Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Accounts receivable with provision for bad debts on a single-item basis	11,411,340.49	1.20%	11,292,708.21	98.96%	118,632.28	11,168,315.22	1.28%	11,168,315.22	100.00%	
Of which:										
Accounts receivable with provision for bad debts by portfolio	939,006,951.60	98.80%	48,338,097.47	5.15%	890,668,854.13	860,197,494.49	98.72%	44,148,236.53	5.13%	816,049,257.96
Of which:										
Total	950,418,292.09	100.00%	59,630,805.68	6.27%	890,787,486.41	871,365,809.71	100.00%	55,316,551.75	6.35%	816,049,257.96

Provision for bad debts by individual item: RMB 11,292,708.21

Unit:
Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Yihaihua (Hong Kong) Technology Co., Ltd	3,916,894.59	3,916,894.59	3,983,314.09	3,983,314.09	100.00%	Not expected to be recovered
E-POWER(HK) TECHNOLOGY CO.,LIMITED	3,050,606.23	3,050,606.23	3,102,335.92	3,102,335.92	100.00%	Not expected to be recovered
Sichuan Yihaihua Technology Co., Ltd	2,971,390.41	2,971,390.41	2,971,390.41	2,971,390.41	100.00%	Not expected to be recovered
Beijing Yixin Huiming Technology Co., Ltd	1,229,423.99	1,229,423.99	1,229,423.99	1,229,423.99	100.00%	Not expected to be recovered
Shanghai Anshibo Energy Technology Co., Ltd			124,876.08	6,243.80	5.00%	Consolidated external related parties
Total	11,168,315.22	11,168,315.2	11,411,340.4	11,292,708.2		291

Provision for bad debts by combination: RMB 48,338,097.47

Unit:
Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	934,373,756.29	46,718,687.81	5.00%
1-2 years (including 2 years)	3,148,259.56	314,825.96	10.00%
2-3 years (including 3 years)	215,433.51	43,086.70	20.00%
3-4 years (including 4 years)	16,010.48	8,005.24	50.00%
More than 4 years	1,253,491.76	1,253,491.76	100.00%
Total	939,006,951.60	48,338,097.47	

Description of the basis for determining the combination:

If the provision for bad debts of accounts receivable is made according to the general model of expected credit loss:

■ Applicable Not Applicable

(3) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit:
Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Provision for bad debts on a single-item basis	11,168,315.22	124,392.99				11,292,708.21

Provision for bad debts by portfolio	44,148,236.53	7,649,038.09			-3,459,177.15	48,338,097.47
Total	55,316,551.75	7,773,431.08			-3,459,177.15	59,630,805.68

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

Unit:
Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the original bad debt provision ratio
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(4) Accounts receivable and contract assets of the top five accounts receivable and contract assets at the end of the period collected by the owing party

Unit:
Yuan

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	As a percentage of the combined ending balance of accounts receivable and contract assets	The ending balance of the provision for bad debts of accounts receivable and the provision for impairment of contract assets
First place	132,917,138.98			13.99%	6,645,856.95
Second place	83,069,853.41			8.74%	4,360,172.56
Third place	66,375,919.66			6.98%	3,318,795.98
Fourth place	41,953,682.52			4.41%	2,097,684.13
Fifth place	38,814,060.65			4.08%	1,940,703.03
Total	363,130,655.22			38.20%	18,363,212.65

5. Receivables financing

(1) Classification of accounts receivable financing

Unit:
Yuan

Projects	Ending balance	Opening balance
Bank Acceptance Draft	17,633,625.14	23,656,994.70
Total	17,633,625.14	23,656,994.70

(2) Receivable financing that has been endorsed or discounted by the company at the end of the period and is not yet due on the balance sheet date

Unit:
Yuan

Projects	Termination amount at the end of the period	Unrecognized amount at the end of the period
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Bank Acceptance Draft	165,883,029.26	
Total	165,883,029.26	

6. Other receivables

Unit:
Yuan

Projects	Ending balance	Opening balance
Interest receivable	421,991.68	17,297.60
Other receivables	73,454,959.93	19,137,092.28
Total	73,876,951.61	19,154,389.88

(1) Interest receivable

1) Classification of interest receivable

Unit:
Yuan

Projects	Ending balance	Opening balance
Bank Acceptance Margin Interest	361,080.46	17,297.60
Interest on bank deposits	60,911.22	
Total	421,991.68	17,297.60

2) Disclosure by classification of bad debt accrual method

Applicable Not applicable

Unit:
Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Provision for bad debts on a single-item basis	421,991.68	100.00%	0.00	0.00%	421,991.68	17,297.60	100.00%	0.00	0.00%	17,297.60
Of which:										
Of which:										
Total	421,991.68	100.00%	0.00	0.00%	421,991.68	17,297.60	100.00%	0.00	0.00%	17,297.60

Provision for bad debts by individual item: RMB 0.00

Unit:
Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Bank Acceptance Margin Interest	17,297.60	0.00	361,080.46	0.00	0.00%	Bank interest, lower loss ratio
Interest on bank deposits			60,911.22	0.00	0.00%	Bank interest, lower loss ratio
Total	17,297.60	0.00	421,991.68	0.00		

Provision for bad debts based on the general model of expected credit losses:

Unit:
Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2023 in the current period				

The division basis of each stage and the ratio of provision for bad debts

Changes in the book balance with significant changes in the amount of loss reserves in the current period

■ Applicable Not Applicable

3) The provision for bad debts accrued, recovered or reversed in the current period

Unit:
Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	Other changes	

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

Unit:
Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the original bad debt provision ratio
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Other instructions:

4) Interest receivables actually written off in the current period

Unit:
Yuan

Projects	Write-off amount
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Among them, the important write-off of interest receivable

Unit:
Yuan

Unit name	Nature of payment	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the payment is generated by a related party transaction

Write-off instructions:

Other instructions:

(2) Other receivables

1) Classification of other receivables by nature of payment

Unit:
Yuan

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Equity transfer payment	44,000,000.00	
Export tax rebate	18,778,740.52	10,354,850.60
Security deposit and deposit	9,508,452.89	9,871,995.14
Receivables	5,177,693.34	0.00
Withholding and paying social security/provident fund	2,081,140.33	2,003,137.43
other	2,590,702.66	1,880,822.85
Total	82,136,729.74	24,110,806.02

2) Disclosure by age

Unit:
Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	72,296,527.25	15,748,624.56
1 to 2 years	1,715,582.32	4,535,077.27
2 to 3 years	4,296,293.27	63,578.35
More than 3 years	3,828,326.90	3,763,525.84
3 to 4 years	64,347.50	704,631.58
4 to 5 years	704,645.74	1,188,145.02
More than 5 years	3,059,333.66	1,870,749.24
Total	82,136,729.74	24,110,806.02

3) Disclosure by classification of bad debt accrual method

Applicable Not applicable

Unit:
Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Provision for bad debts on a single-item basis	47,242,871.29	57.52%	3,242,871.29	6.86%	44,000,000.00	617,698.05	2.56%	617,698.05	100.00%	
Of which:										
Provision for bad debts by portfolio	34,893,858.45	42.48%	5,438,898.52	15.59%	29,454,959.93	23,493,107.97	97.44%	4,356,015.69	18.54%	19,137,092.28
Of which:										
Total	82,136,729.74	100.00%	8,681,769.81	10.57%	73,454,959.93	24,110,806.02	100.00%	4,973,713.74	20.63%	19,137,092.28

Provision for bad debts by single item: RMB 3,242,871.29

Unit:
Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Wang Yuetian			26,400,000.00			Equity transfer of related parties outside the merger
Shang Yunsi			17,600,000.00			Equity transfer of related parties outside the merger
Tekway Technology Co., Ltd			1,141,979.14	1,141,979.14	100.00%	Low retrospective probability of refundable payment
Shenzhen Jingweixin Technology Co., Ltd	617,698.05	617,698.05	617,698.05	617,698.05	100.00%	The debtor is bankrupt
SHENZHEN ALEXANDER POWER ELECTRONIC TECHNOLOGY CO.,LTD			536,514.53	536,514.53	100.00%	Low retrospective probability of refundable payment
Great Star(HK) Electronics Company Limited			385,083.57	385,083.57	100.00%	Low retrospective probability of refundable payment
NuVolta Technologies (Hefei) Co., Ltd.			363,108.78	363,108.78	100.00%	Low retrospective probability of refundable payment

Shaoxing Otinburg Technology Co., Ltd			124,480.58	124,480.58	100.00%	Low retrospective probability of refundable payment
Kem Lye			74,006.64	74,006.64	100.00%	Employee borrowed and resigned
Total	617,698.05	617,698.05	47,242,871.29	3,242,871.29		

Provision for bad debts by combination: RMB 5,438,898.52

Unit:
Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	26,750,176.73	1,337,508.82	5.00%
1-2 years (including 2 years)	636,759.60	63,675.95	10.00%
2-3 years (including 3 years)	4,296,293.27	859,258.65	20.00%
3-4 years (including 4 years)	64,347.50	32,173.75	50.00%
4-5 years (including 5 years)	86,947.69	86,947.69	100.00%
More than 5 years	3,059,333.66	3,059,333.66	100.00%
Total	34,893,858.45	5,438,898.52	

Description of the basis for determining the combination:

Provision for bad debts based on the general model of expected credit losses:

Unit:
Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2023	4,356,015.69		617,698.05	4,973,713.74
Balance at January 1, 2023				
In this issue				
Provision for the current period	1,346,811.00		2,625,173.24	3,971,984.24
Other changes	-263,928.17			-263,928.17
Balance at December 31, 2023	5,438,898.52		3,242,871.29	8,681,769.81

The division basis of each stage and the ratio of provision for bad debts

Changes in the book balance with significant changes in the amount of loss reserves in the current period

■ Applicable Not Applicable

4) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit:
Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	other	
Provision for bad debts on a single-item basis	617,698.05	2,625,173.24				3,242,871.29
Provision for bad debts by portfolio	4,356,015.69	1,346,811.00			-263,928.17	5,438,898.52
Total	4,973,713.74	3,971,984.24			-263,928.17	8,681,769.81

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

Unit:
Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the original bad debt provision ratio

5) Other receivables of the top five ending balances collected by the owing party

Unit:
Yuan

Unit name	Nature of money	Ending balance	Aging	As a percentage of the total ending balance of other receivables	Ending balance of bad debt provision
First place	Equity transfer payment	26,400,000.00	Within 1 year	32.14%	
Second place	Export tax rebate	18,778,740.52	Within 1 year	22.86%	938,937.03
Third place	Equity transfer payment	17,600,000.00	Within 1 year	21.43%	
Fourth place	Security deposit and deposit	6,450,214.00	1-6 years	7.85%	3,400,736.80
Fifth place	Receivables	2,626,526.74	Within 1 year	3.20%	131,326.34
Total		71,855,481.26		87.48%	4,471,000.17

7. Prepayments

(1) Prepayments are shown by age

Unit:
Yuan

Aging	Ending balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	3,018,853.80	100.00%	1,889,337.53	71.95%
1 to 2 years			736,676.25	28.05%
Total	3,018,853.80		2,626,013.78	

Explanation of the reasons why the prepayments with an age of more than 1 year and an important amount are not settled in time:

(2) Prepayments of the top five ending balances collected by prepayment objects

Unit name	Balance	Percentage of total balance of prepayments at the end of the period (%)
First place	1,561,629.59	51.73
Second place	371,131.17	12.29
Third place	255,500.57	8.46
Fourth place	164,334.83	5.44
Fifth place	95,962.62	3.18
Total	2,448,558.78	81.10

Other instructions:

8. Inventory

Do companies need to comply with real estate industry disclosure requirements?

No

(1) Inventory classification

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Inventory impairment provision or contract performance cost impairment provision	Book value	Book balance	Inventory impairment provision or contract performance cost impairment provision	Book value
Raw materials	139,895,238.50	6,603,442.62	133,291,795.88	198,863,777.45	3,831,633.41	195,032,144.04
In product	14,427,166.81		14,427,166.81	24,927,769.21		24,927,769.21
Stock item	165,790,471.71	15,572,394.21	150,218,077.50	141,374,379.56	10,745,818.29	130,628,561.27
Issue goods	36,534,433.19	42,731.49	36,491,701.70	48,309,604.76	141,517.27	48,168,087.49
Entrusted processing materials	2,033,171.11		2,033,171.11	3,933,227.82		3,933,227.82
Total	358,680,481.32	22,218,568.32	336,461,913.00	417,408,758.80	14,718,968.97	402,689,789.83

(2) Inventory impairment provision and contract performance cost impairment provision

Unit: Yuan

Projects	Opening balance	Increase in the current period		Amount of reduction in the current period		Ending balance
		Accrue	other	Reverse or resell	other	

Raw materials	3,831,633.41	4,974,976.83		2,203,167.62		6,603,442.62
Stock item	10,745,818.29	10,799,932.57		5,973,356.65		15,572,394.21
Issue goods	141,517.27	42,731.49		141,517.27		42,731.49
Total	14,718,968.97	15,817,640.89		8,318,041.54		22,218,568.32

Provision for inventory depreciation by combination

Unit:
Yuan

Combination name	End of period			Beginning of the period		
	Ending balance	Reserve for falling prices	Proportion of provision for falling price	Opening balance	Reserve for falling prices	Proportion of provision for falling price

The accrual standard for the provision of inventory depreciation by combination

(3) Other debt investments due within one year

9. Other Current Assets

Unit:
Yuan

Projects	Ending balance	Opening balance
Retained tax credits and input tax to be certified	16,991,193.61	17,990,888.82
Prepaid income tax	1,738,363.77	2,367,380.43
Bond issuance fee	2,150,967.64	
Prepaid project input tax	1,917,995.41	
Total	22,798,520.43	20,358,269.25

Other instructions:

10. Long-term equity investment

Unit:
Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period								Ending balance (book value)	Ending balance of impairment provision
			Addition investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Changes in other equity	Declaration of cash dividends or profits	Provision for impairment	other		
I. Joint venture												

Shenzhen Hangheng Enterprise Headquarters Management Co., Ltd	858,469.31				-61,679.17						796,790.14	
Subtotal	858,469.31				-61,679.17						796,790.14	
II. Joint ventures												
Shanghai			93,60		-		4,223				94,32	
Anshibo Energy Technology Co., Ltd			0,000.00		3,498,712.64		,364.93				4,652.29	
Subtotal			93,600,000.00		-3,498,712.64		4,223,364.93				94,324,652.29	
Total	858,469.31		93,600,000.00		-3,560,391.81		4,223,364.93				95,121,442.43	

The recoverable amount is determined as the net amount of fair value less disposal expenses

■ Applicable Not Applicable

The recoverable amount is determined based on the present value of the expected future cash flows

■ Applicable Not Applicable

Reasons for discrepancies between the foregoing information and the information used in previous years' impairment tests or external information

The reason for the difference between the information used in the previous year's impairment test and the actual situation of the current year

Other instructions:

11. Investment real estate

(1) Investment real estate using cost measurement model

Applicable ■ Not applicable

Unit:
Yuan

Projects	Houses, buildings	Land use rights	Construction in progress	Total
I. Original book value				
1. Opening balance				
2. Increase in the current period	132,422,232.33			132,422,232.33
(1) Outsourcing				
(2) Inventory\ fixed assets\ transfer in construction in progress	132,422,232.33			132,422,232.33
(3) Increase in business combinations				
3. Amount of reduction in the current period				
(1) Disposal				
(2) Other transfers				
4. Ending balance	132,422,232.33			132,422,232.33
II. Accumulated depreciation and accumulated amortization				
1. Opening balance				
2. Increase in the current period	11,695,095.39			11,695,095.39
(1) Provision or amortization	11,695,095.39			11,695,095.39
3. Amount of reduction in the current period				
(1) Disposal				
(2) Other transfers				
4. Ending balance	11,695,095.39			11,695,095.39
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Accrual				
3. Amount of reduction in the current period				
(1) Disposal				
(2) Other transfers				
4. Ending balance				
IV. Book value				
1. Book value at the end of the period	120,727,136.94			120,727,136.94
2. Book value at the beginning of the period				

The recoverable amount is determined as the net amount of fair value less disposal expenses

■ Applicable Not Applicable

The recoverable amount is determined based on the present value of the expected future cash flows

■ Applicable Not Applicable

Reasons for discrepancies between the foregoing information and the information used in previous years' impairment tests or external information

The reason for the difference between the information used in the previous year's impairment test and the actual situation of the current year

Other instructions:

(2) Investment real estate using fair value measurement model

■ Applicable Not Applicable

12. Fixed assets

Unit:
Yuan

Projects	Ending balance	Opening balance
Fixed assets	1,013,803,559.64	1,097,803,234.25
Total	1,013,803,559.64	1,097,803,234.25

(1) Fixed assets

Unit:
Yuan

Projects	Houses and buildings	Machine equipment	Means of transport	Electronic equipment and others	Total
I. Original book value:					
1. Opening balance	856,293,763.12	387,860,040.95	8,127,812.07	72,493,539.34	1,324,775,155.48
2. Increase in the current period	19,479,040.88	91,794,757.12	745,536.40	51,524,146.80	163,543,481.20
(1) Acquisition		51,498,995.92	525,546.22	16,696,632.76	68,721,174.90
(2) Transfer of construction in progress	20,051,385.10	40,662,713.26	220,026.49	35,365,981.37	96,300,106.22
(3) Increase in business combinations					
(4) The impact of exchange rate changes	-572,344.22	-366,952.06	-36.31	-538,467.33	-1,477,799.92
3. Amount of reduction in the current period	132,422,232.33	44,840,856.25	862,321.69	4,449,307.26	182,574,717.53
(1) Disposal or scrapping		10,038,466.50	69,487.18	1,107,531.44	11,215,485.12

(2) Transfer to investment real estate	132,422,232.33				132,422,232.33
(3) Disposal of subsidiaries		34,802,389.75	792,834.51	3,341,775.82	38,937,000.08
4. Ending balance	743,350,571.67	434,813,941.82	8,011,026.78	119,568,378.88	1,305,743,919.15
II. Accumulated depreciation					
1. Opening balance	54,592,448.28	121,125,060.12	4,193,075.01	47,061,337.82	226,971,921.23
2. Increase in the current period	23,228,415.21	55,173,912.17	672,238.48	11,845,169.29	90,919,735.15
(1) Accrual	23,149,446.31	54,869,294.17	863,866.96	12,318,900.60	91,201,508.04
(2) Exchange rate changes and other effects	78,968.90	304,618.00	-191,628.48	-473,731.31	-281,772.89
3. Amount of reduction in the current period	11,695,095.39	12,456,150.89	125,505.21	1,674,545.38	25,951,296.87
(1) Disposal or scrapping		6,463,660.59	66,013.05	1,023,043.38	7,552,717.02
(2) Transfer to investment real estate	11,695,095.39				11,695,095.39
(3) Disposal of subsidiaries		5,992,490.30	59,492.16	651,502.00	6,703,484.46
4. Ending balance	66,125,768.10	163,842,821.40	4,739,808.28	57,231,961.73	291,940,359.51
III. Provision for impairment					
1. Opening balance					
2. Increase in the current period					
(1) Accrual					
3. Decrease in the current period					
Amount					
(1) Disposal or scrapping					
4. Ending balance					
IV. Book value					
1. Book value at the end of the period	677,224,803.57	270,971,120.42	3,271,218.50	62,336,417.15	1,013,803,559.64
2. Book value at the beginning of the period	801,701,314.84	266,734,980.83	3,934,737.06	25,432,201.52	1,097,803,234.25

(2) Fixed assets leased out through operating leasesUnit:
Yuan

Projects	Book value at the end of the period
Houses, buildings	2,802,332.51
Other equipment	270,449.90
Total	3,072,782.41

(3) The situation of fixed assets for which the title certificate has not been completedUnit:
Yuan

Projects	Book value	Reasons for not completing the title certificate
Vietnam Honor Electron Housing and Buildings	62,990,668.54	In process

Other instructions:

(4) Impairment test of fixed assets

■ Applicable Not Applicable

13. Construction in progressUnit:
Yuan

Projects	Ending balance	Opening balance
Construction in progress	133,048,776.54	138,969,427.72
Total	133,048,776.54	138,969,427.72

(1) Construction in progressUnit:
Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Dongguan Honor Electron Information Equipment Manufacturing Center Project	15,534,687.77		15,534,687.77	68,655,275.20		68,655,275.20
Ganzhou Power Adapter Expansion Project	37,582,741.93		37,582,741.93	27,945,763.18		27,945,763.18

Ganzhou power adapter production line technical transformation project	2,010,958.83		2,010,958.83			
Eye						
Vietnam Honor Electron Plant Construction Project	1,155,327.59		1,155,327.59	14,800,436.30		14,800,436.30
Equipment and software installation engineering	2,763,581.31		2,763,581.31	14,776,415.82		14,776,415.82
Bao'an Aviation City Innovation Industry R&D; Joint Base Project	31,776,514.37		31,776,514.37	11,100,835.55		11,100,835.55
Decoration of Pearl Office Headquarters Building	41,793,306.25		41,793,306.25	1,058,611.55		1,058,611.55
Shenzhen Honor Electron Human Resource Management Optimization Project	377,358.49		377,358.49	377,358.49		377,358.49
Suzhou Bodian Yunke Factory Decoration Project				254,731.63		254,731.63
Suzhou Yundian Factory Decoration Project	54,300.00		54,300.00			
Total	133,048,776.54		133,048,776.54	138,969,427.72		138,969,427.72

(2) Changes in important construction projects in progress during the current period

Unit:
Yuan

Name of project	Budget	Opening balance	Increase in the current period	Amount of fixed assets transferred in the current period	Other reductions in the current period	Ending balance	The cumulative investment in the project accounts for the proportion of the budget	Project progress	Cumulative amount of interest capitalization	Including: the amount of interest capitalized in the current period	Interest capitalization rate for the current period	Source of funds

Dongguan Honor Electron Information Equipment Manufacturing Center Project	302,367,579.00	68,655,275.20	31,247,197.90	53,083,291.02	31,284,494.31	15,534,687.77	94.86%	94.86	754,027.78			Raise funds
Bao'an Aviation City Innovation Industry R&D; Joint Base Project	160,113,362.47	11,100,835.55	20,675,678.82			31,776,514.37	16.28%	16.28				other
Ganzhou Power Adapter Expansion Project	42,847,036.03	27,945,763.18	20,575,827.07	5,519,899.34	5,418,948.98	37,582,741.93	99.00%	99.00				Raise funds
Pearl Office Headquarters Building Renovation	66,870,773.40	1,058,611.55	41,331,750.61		597,055.91	41,793,306.25	82.56%	82.56				other
Vietnam Honor Electron Plant Construction Project	31,215,262.35	14,800,436.30	15,203,587.01	28,848,695.72		1,155,327.59	91.82%	91.82				other
Total	603,414,013.25	123,560,921.78	129,034,041.41	87,451,886.08	37,300,499.20	127,842,577.91			754,027.78			

(3) Impairment test of construction in progress

■ Applicable Not Applicable

14. Right-of-use assets

(1) Right-of-use assets

Unit:
Yuan

Projects	Houses and buildings	Total
I. Original book value		
1. Opening balance	101,475,284.14	101,475,284.14
2. Increase in the current period	51,489,299.39	51,489,299.39
(1) New lease	51,463,781.36	51,463,781.36
(2) Changes in the original value caused by changes in exchange rates	25,518.03	25,518.03
3. Amount of reduction in the current period	85,274,024.15	85,274,024.15
(1) Disposal	85,274,024.15	85,274,024.15
(2) Other transfers		
4. Ending balance	67,690,559.38	67,690,559.38
II. Accumulated depreciation		
1. Opening balance	47,532,562.09	47,532,562.09
2. Increase in the current period	27,462,803.07	27,462,803.07
(1) Accrual	27,438,991.98	27,438,991.98
(2) Changes in accumulated depreciation due to changes in exchange rates	23,811.09	23,811.09
3. Amount of reduction in the current period	47,826,213.04	47,826,213.04
(1) Disposal	47,826,213.04	47,826,213.04
4. Ending balance	27,169,152.12	27,169,152.12
III. Provision for impairment		
1. Opening balance		
2. Increase in the current period		
(1) Accrual		
3. Amount of reduction in the current period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Book value at the end of the period	40,521,407.26	40,521,407.26
2. Book value at the beginning of the period	53,942,722.05	53,942,722.05

(2) Impairment test of right-of-use assets

■ Applicable Not Applicable

Other instructions:

15. Intangible assets

(1) Intangible assets

Unit:
Yuan

Projects	Land use rights	Patent	Non-patent technology	Software	Total
I. Original book value					
1. Opening balance	75,983,734.94			14,299,695.95	90,283,430.89
2. Increase in the current period	-307,640.95			679,345.22	371,704.27
(1) Acquisition				487,448.42	487,448.42
(2) Internal R & D					
(3) Increase in business combinations					
(4) Impact of exchange rate changes	-307,640.95			191,896.80	-115,744.15
3. Amount of reduction in the current period				487,448.42	487,448.42
(1) Disposal				487,448.42	487,448.42
4. Ending balance	75,676,093.99			14,491,592.75	90,167,686.74
II. Accumulated amortization					
1. Opening balance	5,828,319.45			8,354,252.29	14,182,571.74
2. Increase in the current period	1,963,145.48			2,201,222.53	4,164,368.01
(1) Accrual	1,959,747.95			2,198,274.16	4,158,022.11
(2) The impact of exchange rate changes	3,397.53			2,948.37	6,345.90
3. Amount of reduction in the current period				8,124.14	8,124.14
(1) Disposal				8,124.14	8,124.14
4. Ending balance	7,791,464.93			10,547,350.68	18,338,815.61
III. Provision for impairment					
1. Opening balance					
2. Increase in the current period					
(1) Accrual					
3. Amount of reduction in the current period					
(1) Disposal					
4. Ending balance					
IV. Book value					

1. Book value at the end of the period	67,884,629.06			3,944,242.07	71,828,871.13
2. Book value at the beginning of the period	70,155,415.49			5,945,443.66	76,100,859.15

The proportion of intangible assets formed through the company's internal research and development to the balance of intangible assets at the end of the period.

(2) The situation of land use rights for which the title certificate has not been completed

Unit:
Yuan

Projects	Book value	Reasons for not completing the title certificate
Land use rights of Honor Electron, Vietnam	12,782,286.82	In process

Other instructions:

(3) Impairment test of intangible assets

■ Applicable Not Applicable

16. Long-term deferred expenses

Unit:
Yuan

Projects	Opening balance	Increase in the current period	Amortization amount for the current period	Other reductions	Ending balance
Factory decoration project	17,560,105.84	27,615,970.33	6,779,348.69	6,037,568.26	32,359,159.22
Dormitory decoration project	4,509,429.35	8,347,325.33	584,251.11		12,272,503.57
Workshop decoration project	3,236,335.17	5,418,948.98	686,980.36		7,968,303.79
Office and front desk decoration	1,154,179.83		393,285.28	618,929.00	141,965.55
Canteen decoration project		2,829,753.08	126,450.66		2,703,302.42
Decoration of Pearl Office Headquarters Building		623,785.71	90,878.95		532,906.76
Total	26,460,050.19	44,835,783.43	8,661,195.05	6,656,497.26	55,978,141.31

Other instructions:

17. Deferred Tax Assets/Deferred Tax Liabilities

(1) Unoffset Deferred Tax Assets

Unit:
Yuan

Projects	Ending balance		Opening balance	
	Deductible temporary differences	Deferred Tax Assets	Deductible temporary differences	Deferred Tax Assets
Provision for assets impairment	13,277,518.11	1,991,627.72	11,797,242.68	1,769,586.40
Unrealized profit on internal transactions	9,672,705.40	1,450,905.81	9,986,170.78	1,497,925.62
Credit impairment provision	50,741,706.15	7,611,255.93	45,367,621.17	6,805,143.18
Share-based payment			13,292,355.24	1,993,853.29
Lease liabilities	41,205,425.17	7,470,008.70	55,059,940.15	9,832,621.71
Deferred income	7,935,651.84	1,190,347.78		
Total	122,833,006.67	19,714,145.94	135,503,330.02	21,899,130.20

(2) Unoffset Deferred Tax Liabilities

Unit:
Yuan

Projects	Ending balance		Opening balance	
	Taxable temporary differences	Deferred Tax Liabilities	Taxable temporary differences	Deferred Tax Liabilities
Technology and Intellectual Property Licensing	15,975,081.71	2,396,262.26	11,674,543.77	1,751,181.57
Gains and losses from changes in fair value of trading financial assets			109,200.00	16,380.00
Right-of-use asset	40,494,724.71	7,447,754.53	53,634,519.96	9,574,922.85
Total	56,469,806.42	9,844,016.79	65,418,263.73	11,342,484.42

(3) Deferred Tax Assets or liabilities shown as net of offset

Unit:
Yuan

Projects	The amount of Deferred Tax Assets and liabilities offset at the end of the period	The ending balance of Deferred Tax Assets or liabilities after offset	The initial offset amount of Deferred Tax Assets and liabilities	Opening balance of Deferred Tax Assets or liabilities after offset
Deferred Tax Assets		19,714,145.94		21,899,130.20
Deferred Tax Liabilities		9,844,016.79		11,342,484.42

(4) Details of unrecognized Deferred Tax Assets

Unit:
Yuan

Projects	Ending balance	Opening balance
Deductible temporary differences	17,026,418.14	11,741,460.70
Deductible losses	128,197,108.63	109,786,451.01
Total	145,223,526.77	121,527,911.71

(5) Deductible losses on unrecognized Deferred Tax Assets will expire in the following years

Unit:
Yuan

Year	Amount at the end of the period	Amount at the beginning of the period	Remarks:
2024	42,648.55	42,648.55	
2025	1,412,728.06	1,412,728.06	
2026	63,700,523.77	63,700,523.77	
2027	44,630,550.63	44,630,550.63	
2028	18,410,657.62		
Total	128,197,108.63	109,786,451.01	

Other instructions:

18. Other non-current assets

Unit:
Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepaid equipment and engineering payments	23,026,424.99		23,026,424.99	1,726,164.92		1,726,164.92
Total	23,026,424.99		23,026,424.99	1,726,164.92		1,726,164.92

Other instructions:

19. Assets with restricted ownership or use rights

Unit:
Yuan

Projects	End of period				Beginning of the period			
	Book balance	Book value	Restricted type	Restricted situation	Book balance	Book value	Restricted type	Restricted situation
Monetary fund	141,203,058.71	141,203,058.71	other	Apply to the bank for the deposit for the issuance of bank acceptance bills, unexpired time deposits, and funds frozen by the people's court in contract sales disputes	79,764,140.11	79,764,140.11	other	Apply to the bank for a deposit for the issuance of a bank acceptance draft

Notes receivable	74,944,505.75	74,944,505.75	Pledge	Apply to the bank for pledged bills receivable to issue a bank acceptance bill	14,816,235.26	14,816,235.26	Pledge	Apply to the bank for pledged bills receivable to issue a bank acceptance bill
Inventory					11,794,411.52	11,794,411.52	Mortgage	Apply for credit from bank mortgage inventory
Fixed assets	663,737,809.91	663,737,809.91	Mortgage	Apply for a loan from a bank to mortgage fixed assets	508,122,648.41	508,122,648.41	Mortgage	Apply for a loan from a bank to mortgage fixed assets
Intangible assets					40,105,333.07	40,105,333.07	Mortgage	Apply for a loan from a bank to mortgage intangible assets
Total	879,885,374.37	879,885,374.37			654,602,768.37	654,602,768.37		

Other instructions:

20. Short-term loans

(1) Classification of short-term borrowings

Unit:
Yuan

Projects	Ending balance	Opening balance
Credit loan	115,000,000.00	200,000,000.00
Interest payable	57,750.00	546,763.89
Total	115,057,750.00	200,546,763.89

Description of the classification of short-term borrowings:

21. Notes payable

Unit:
Yuan

Kind	Ending balance	Opening balance
Bank Acceptance Draft	468,760,151.92	291,492,369.24
Total	468,760,151.92	291,492,369.24

The total amount of due and unpaid notes payable at the end of the period is 0.00 yuan, and the reason for the due and unpaid is.

22. Accounts payable

(1) Accounts payable presentation

Unit:
Yuan

Projects	Ending balance	Opening balance
Within 1 year (including 1 year)	733,712,931.50	657,561,179.57
1-2 years (including 2 years)	1,890,464.93	819,313.48
2-3 years (including 3 years)	626,465.98	696,429.63
3-4 years (including 4 years)	246,445.60	678,660.06
4-5 years (including 5 years)	664,680.53	348,577.18
More than 5 years	348,577.18	
Total	737,489,565.72	660,104,159.92

23. Other payables

Unit:
Yuan

Projects	Ending balance	Opening balance
Other payables	23,434,022.39	42,520,730.15
Total	23,434,022.39	42,520,730.15

(1) Other payables

1) List other payables by nature of payment

Unit:
Yuan

Projects	Ending balance	Opening balance
Restricted stock subscription		18,660,880.00
Rent, utilities, testing fees	5,917,766.42	4,062,682.46
Shipping, storage fees	5,693,558.71	6,087,925.25
Deposit, security deposit	2,379,669.34	8,529,331.84
other	9,443,027.92	5,179,910.60
Total	23,434,022.39	42,520,730.15

2) Other payables of the top five at the end of the period collected by the counterparty

Other instructions:

24. Advance receipts

(1) List of advance receipts

Unit:
Yuan

Projects	Ending balance	Opening balance
Within 1 year (including 1 year)	54,898.86	234,099.04
1-2 years (including 2 years)	119,448.20	78,756.73
2-3 years (including 3 years)	47,816.22	43,438.05
More than 3 years	58,648.49	27,038.32
Total	280,811.77	383,332.14

25. Contract liabilities

Unit:
Yuan

Projects	Ending balance	Opening balance
Accounts receivable in advance	3,002,110.54	1,186,317.12
Total	3,002,110.54	1,186,317.12

Significant contract liabilities aged over 1 year

Unit:
Yuan

Projects	Ending balance	Reasons for non-payment or carry-over
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The amount and reason for the significant change in the book value during the reporting period

Unit:
Yuan

Projects	Amount of change	Reason for change
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26. Employee compensation payable

(1) List of employee compensation payable

Unit:
Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	58,769,382.96	472,605,467.24	477,790,829.88	53,584,020.32
II. Post-employment benefits-defined contribution plan	2,253,877.13	34,298,489.09	36,372,347.38	180,018.84
III. Dismissal benefits		1,346,515.00	1,346,515.00	
Total	61,023,260.09	508,250,471.33	515,509,692.26	53,764,039.16

(2) List of short-term compensation

Unit:
Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Salaries, bonuses, allowances and subsidies	57,881,312.92	440,289,573.35	444,772,187.29	53,398,698.98
2. Employee welfare	57,284.40	8,931,789.88	8,988,062.14	1,012.14
3. Social insurance premiums	729,985.64	11,398,556.58	11,944,233.02	184,309.20
Including: medical insurance premiums	693,216.01	9,614,161.80	10,125,320.84	182,056.97
Work injury insurance	36,769.63	912,915.88	947,433.28	2,252.23
Maternity insurance premiums		871,478.90	871,478.90	
4. Housing Provident Fund	100,800.00	11,050,996.05	11,151,796.05	
5. Trade union funds and employee education funds		699,392.53	699,392.53	

8. Other short-term compensation				
9. Other		235,158.85	235,158.85	
Total	58,769,382.96	472,605,467.24	477,790,829.88	53,584,020.32

(3) List of defined contribution plans

Unit:
Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic pension insurance	2,139,119.54	32,937,952.53	34,971,967.63	105,104.44
2. Unemployment insurance premiums	55,370.98	1,102,085.78	1,153,702.97	3,753.79
3. Enterprise annuity payment	59,386.61	258,450.78	246,676.78	71,160.61
Total	2,253,877.13	34,298,489.09	36,372,347.38	180,018.84

Other instructions:

27. Taxes payable

Unit:
Yuan

Projects	Ending balance	Opening balance
VAT	2,100,376.55	3,062,134.20
Corporate income tax	5,930,418.51	13,389,109.06
Personal income tax	1,431,592.27	1,796,833.79
Urban maintenance and construction tax	1,212,244.94	168,712.72
Educational add-ons (including places)	865,889.23	120,509.10
Stamp duty	518,984.79	370,808.31
Property tax	111,947.40	37,988.31
Land use tax	19,138.00	19,138.00
Total	12,190,591.69	18,965,233.49

Other instructions:

28. Non-current liabilities due within one year

Unit:
Yuan

Projects	Ending balance	Opening balance
Long-term borrowings due within one year	30,318,292.28	75,228,920.99
Lease liabilities due within one year	14,800,986.03	22,353,668.99
Total	45,119,278.31	97,582,589.98

Other instructions:

29. Other current liabilities

Unit:
Yuan

Projects	Ending balance	Opening balance
Pending write-off tax	94,995.01	38,738.55
Unconfirmed notes	69,427,976.57	33,904,055.19
Total	69,522,971.58	33,942,793.74

Changes in short-term bonds payable:

Unit:
Yuan

Bond name	Face value	Coupon rate	Issue date	Bond maturity	Issue amount	Opening balance	Current issue	Interest accrued at face value	Premium and discount amortization	Repayment in the current period		Ending balance	Whether in breach of contract
Total													

Other instructions:

30. Long-term loans

(1) Classification of long-term borrowings

Unit:
Yuan

Projects	Ending balance	Opening balance
Mortgage loan	277,050,000.10	261,990,000.06
Credit loan	42,500,000.00	
Total	319,550,000.10	261,990,000.06

Description of long-term loan classification:

Other descriptions, including interest rate ranges:

31. Lease liabilities

Unit:

Projects	Ending balance	Opening balance	Yuan
Buildings	26,432,950.93	33,035,866.33	
Total	26,432,950.93	33,035,866.33	

Other instructions:

32. Deferred income

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Government subsidy	6,122,057.05	6,960,000.00	4,246,405.22	8,835,651.83	Government grants related to assets
Total	6,122,057.05	6,960,000.00	4,246,405.22	8,835,651.83	

Other instructions:

33. Share capital

Unit: Yuan

	Opening balance	Increase or decrease in this change (+, -)					Ending balance
		Issue new shares	Bonus shares	Provident fund conversion	other	Subtotal	
Total number of shares	101,770,000.00				-570,000.00	-570,000.00	101,200,000.00

Other instructions:

The change in share capital was caused by the refund of the subscription money after the termination of the equity incentive.

34. Capital reserve

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (equity premium)	1,037,504,589.92		18,446,985.99	1,019,057,603.93
Other capital reserves	26,431,327.29	44,247,514.94		70,678,842.23
Total	1,063,935,917.21	44,247,514.94	18,446,985.99	1,089,736,446.16

Other explanations, including the changes in the current period and the reasons for the changes:

The change in capital reserve was caused by the company's termination of the equity incentive plan to accelerate the confirmation of share payment, cancellation of share capital and adjustment of long-term equity investment rights.

35. Treasury stocks

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Treasury stock	81,287,282.67		18,686,593.60	62,600,689.07
Total	81,287,282.67		18,686,593.60	62,600,689.07

Other explanations, including the changes in the current period and the reasons for the changes:

The change in treasury shares was due to the company's termination of the equity incentive plan to accelerate the confirmation of share payment and the cancellation of share capital.

36. Other comprehensive income

Unit: Yuan

Projects	Opening balance	Amount in the current period						Ending balance
		Occurred before current income tax	Less: previously included in other	Less: previously included in other	Less: income tax expense	Attributable to the parent company after tax	Attributable to minority shares after tax	
			Comprehensive income is transferred to profit or loss for the current period	Comprehensive income is transferred to retained earnings for the current period			East	
II. Other comprehensive income reclassified into profit or loss	4,644,705.10	-866,691.46				-866,691.46		3,778,013.64
Foreign currency financial statement translation difference	4,644,705.10	-866,691.46				-866,691.46		3,778,013.64
Total other comprehensive income	4,644,705.10	-866,691.46				-866,691.46		3,778,013.64

Other explanations, including the adjustment of the effective part of the cash flow hedging gains and losses to the initial recognition amount of the hedged item:

37. Surplus Reserve

Unit:
Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	50,885,000.00			50,885,000.00
Total	50,885,000.00			50,885,000.00

A description of the surplus reserve, including the changes in the current period and the reasons for the changes:

38. Undistributed profits

Unit:
Yuan

Projects	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	487,577,371.50	417,552,967.18
Adjust the undistributed profit at the beginning of the later period	487,577,371.50	417,552,967.18
Add: Net profit attributable to owners of the parent company for the current period	195,731,160.07	90,424,021.86

Less: Withdrawal of statutory surplus reserve		7,218,153.30
other	-35,006.40	
Distribute profit	9,058,567.15	13,181,464.24
Undistributed profit at the end of the period	674,284,970.82	487,577,371.50

Details of undistributed profit at the beginning of the adjustment period:

- 1) Due to the retrospective adjustment of the Accounting Standards for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period was affected by RMB 259,266.02.
- 2) Due to the change of accounting policy, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- 4) The change in the scope of consolidation due to the same control affects the undistributed profit at the beginning of the period by RMB 0.00.
- 5) The total impact of other adjustments on the undistributed profit at the beginning of the period is RMB 0.00.

39. Operating income and operating costs

Unit:

Projects	Amount in the current period		Amount in the previous period	
	income	Cost	income	Cost
Main business	2,840,388,920.89	2,283,079,092.21	2,688,322,267.95	2,207,490,579.38
Other business	29,610,039.83	21,057,942.31	14,802,413.13	4,809,485.05
Total	2,869,998,960.72	2,304,137,034.52	2,703,124,681.08	2,212,300,064.43

Whether the lower of the audited net profit before and after the deduction of non-recurring gains and losses is negative

■ whether

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the revenue corresponding to the performance obligations that have signed contracts but have not been fulfilled or have not been fulfilled is RMB 767,765,726.78, of which RMB 767,765,726.78 is expected to be recognized as revenue in 2024.

40. Taxes and surcharges

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Urban maintenance and construction tax	5,026,225.42	3,260,829.70
Education surcharge	2,154,095.99	1,397,498.45
Property tax	6,734,328.60	4,124,345.89
Land use tax	188,578.71	167,338.68
Vehicle and vessel use tax	10,739.44	9,149.44
Stamp duty	1,994,499.57	1,827,567.90
Local fee surcharge	1,436,063.99	931,665.63
House tax	886.23	861.80
Foreign contractor tax	9,672.96	6,516.10
Total	17,555,090.91	11,725,773.59

Other instructions:

41. Administrative expenses

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Employee compensation	50,735,758.82	43,195,059.19
Purchase property service fee		15,000,000.00
Share-based payment	40,024,150.01	24,988,204.00
depreciation and amortization	28,135,142.51	33,211,148.10
Consultation fee	8,342,088.87	3,320,798.62
Office expenses	6,523,090.82	6,448,458.24
Property water and electricity bills	5,669,901.93	3,839,001.45
Business entertainment	3,318,391.18	2,067,813.99
Travel expenses	2,618,837.83	1,204,377.87
Renovation and maintenance costs	2,134,431.91	1,386,497.68
other	4,403,917.73	1,873,929.38
Total	151,905,711.61	136,535,288.52

Other instructions:

42. Selling expenses

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Employee compensation	40,272,293.19	36,084,941.03
Business entertainment	13,779,019.22	11,994,853.01
Travel expenses	4,600,504.45	3,046,221.55
Sample testing fee	2,950,842.66	1,751,161.79
After-sales service fee	2,582,712.06	1,795,459.47
Customs fees	2,011,199.33	1,752,136.82
Office expenses	1,319,760.72	1,246,761.71
Publicity and exhibition fee	1,164,133.90	375,403.00
Storage fee	1,053,976.16	1,183,022.32
Depreciation And Amortization	850,457.54	2,088,812.76
Property water and electricity bills	233,426.80	448,151.40
Renovation and maintenance costs	87,507.64	17,418.29
other	1,059,070.53	1,375,436.58
Total	71,964,904.20	63,159,779.73

Other instructions:

43. R&D; expenses

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Staff and labor costs	152,521,152.49	136,737,877.57
Direct input cost	32,533,851.11	25,134,027.35
Depreciation expenses and long-term deferred expenses	23,992,972.89	22,503,481.28
Other expenses	20,680,638.38	12,998,797.99
Amortization expense of intangible assets	459,784.65	513,064.85
Total	230,188,399.52	197,887,249.04

Other instructions:

44. Financial expenses

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Interest expense	21,854,846.03	18,652,687.03
Less: interest income	5,530,692.27	3,706,437.06
Exchange loss (gains are listed with "-")	-9,957,110.17	-45,983,184.76
Fees and others	1,563,707.59	1,403,232.76
Total	7,930,751.18	-29,633,702.03

Other instructions:

45. Other income

Unit:
Yuan

Sources of other income	Amount in the current period	Amount in the previous period
1. Amortization of government grants related to assets	4,246,405.22	6,328,207.01
2. Compensation related to income for costs or losses that have been incurred	7,071,512.14	9,031,690.65
3. VAT deduction	7,297,113.31	
4. Withholding tax handling fee refund	313,114.07	222,073.50
Total	18,928,144.74	15,581,971.16

46. Gain from change in fair value

Unit:
Yuan

Sources of Gain from change in fair value	Amount in the current period	Amount in the previous period
Trading financial assets		117,200.00
Total		117,200.00

Other instructions:

47. Investment income

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Long-term equity investment income accounted for by the equity method	-3,560,391.81	-39,358.81
Investment income from disposal of long-term equity investments	134,981,978.53	
Income from wealth management products	2,547,660.33	3,992,129.99
Interest income on time deposits	60,495.77	
Total	134,029,742.82	3,952,771.18

Other instructions:

48. Credit impairment losses

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Bad debt loss on notes receivable	-664,091.18	-278,263.05
Bad debt loss on accounts receivable	-7,773,431.08	-7,192,269.65
Bad debt loss on other receivables	-3,971,984.24	-537,843.28
Total	-12,409,506.50	-8,008,375.98

Other instructions:

49. Asset impairment loss

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
I. Inventory depreciation loss and contract performance cost impairment loss	-15,709,287.10	-14,331,141.19
Total	-15,709,287.10	-14,331,141.19

Other instructions:

50. Asset disposal income

Unit:
Yuan

Sources of asset disposal proceeds	Amount in the current period	Amount in the previous period
Gains from disposal of fixed assets (losses are listed with "-")	107,625.87	-817,756.42

51. Non-operating income

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period	Amount included in non-recurring gains and losses for the current period
other	926,083.76	3,144,855.45	926,083.76
Total	926,083.76	3,144,855.45	926,083.76

Other instructions:

The "others" in this period are mainly RMB 924,884.54 for default deductions and RMB 1,199.22 for other miscellaneous items.

52. Non-operating expenses

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period	Amount included in non-recurring gains and losses for the current period
External donation	20,000.00	30,000.00	20,000.00
Loss of scrapping of non-current assets	621,530.76	764,806.17	621,530.76
other	647,959.72	264,107.52	647,959.72
Total	1,289,490.48	1,058,913.69	1,289,490.48

Other instructions:

53. Income tax expense

(1) Income tax expense statement

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Current income tax expense	16,639,843.48	26,656,761.43
Deferred Income Taxes expense	168,782.06	-5,028,802.86
Total	16,808,625.54	21,627,958.57

(2) Accounting profit and income tax expense adjustment process

Unit:
Yuan

Projects	Amount in the current period
Total profit	210,900,381.89
Income tax expense at statutory/applicable tax rate	31,635,057.28
The impact of different tax rates applied to subsidiaries	-11,531,712.95
Impact of non-taxable income	-21,750,493.11
Impact of non-deductible costs, expenses and losses	5,262,170.93
The impact of deductible temporary differences or deductible losses on Deferred Tax Assets not recognized in the current period	30,161,058.68
The impact of additional deductions for technology development expenses	-16,039,448.43
Use previous years' deductible losses	-68,829.58
The impact of overseas corporate income tax policy	-859,177.28
Income tax expense	16,808,625.54

Other instructions:

54. Other comprehensive income

For details, please refer to Note 36. Other comprehensive income.

55. Cash flow statement items

(1) Cash related to operating activities

Other cash received related to operating activities

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Current payment		11,298,314.73
Government subsidy	14,031,512.14	11,503,764.15
Interest income	5,530,692.27	3,302,167.83
Other payments	2,062,043.54	268,827.61
Note margin recovered	80,938,745.29	100,279,127.67
Total	102,562,993.24	126,652,201.99

Description of other cash received related to operating activities:

Other cash paid related to operating activities

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Cash management expenses + sales expenses + R&D; expenses	107,952,910.94	90,874,211.75
Current payment		3,684,762.04
Fees	1,387,607.23	963,039.13
Donation spending	20,000.00	293,654.29
Note deposit paid	127,373,000.16	79,764,140.12
Other payments	2,749,105.85	1,025,995.00
Total	239,482,624.18	176,605,802.33

Description of other cash paid related to operating activities:

(2) Cash related to investing activities

Other cash received related to investing activities

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Receive the principal and income of bank wealth management products	469,685,749.11	626,186,380.95
Total	469,685,749.11	626,186,380.95

Significant cash received related to investing activities

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
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Net disposal of 60% equity of Shanghai Anshibo, a subsidiary	66,577,124.16	
Total	66,577,124.16	

Description of other cash received related to investing activities:

Other cash paid related to investing activities

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Buy financial products	418,123,542.60	472,736,780.82
Total	418,123,542.60	472,736,780.82

Significant cash paid related to investing activities

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period

Description of other cash paid related to investing activities:

(3) Cash related to financing activities

Other cash received in connection with financing activities

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Bank acceptance bill, letter of credit discount	45,000,000.00	
Total	45,000,000.00	

Description of other cash received in connection with financing activities:

Other cash paid related to financing activities

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
House rental	32,238,078.05	40,135,789.11
Bond issuance costs	2,258,418.60	
Restricted stock repurchase obligations	18,957,185.99	62,626,402.67
Total	53,453,682.64	102,762,191.78

Description of other cash paid in connection with financing activities:

Changes in various liabilities arising from financing activities

Applicable Not applicable

Unit:
Yuan

Projects	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Change in cash	Non-cash change	Change in cash	Non-cash change	
Short-term loan	200,478,777.79	115,000,000.00	5,462,845.23	205,405,095.23	478,777.79	115,057,750.00
Other payables	18,957,185.99		11,026,661.83	29,983,847.82		

Non-current liabilities due within one year	97,582,589.98		45,119,278.31	97,582,589.98		45,119,278.31
Long-term loan	261,990,000.06	90,000,000.00	13,410,481.62	15,910,481.62	29,939,999.96	319,550,000.10
Lease liabilities	33,035,866.33		56,216,513.66	9,884,409.06	52,935,020.00	26,432,950.93
Total	612,044,420.15	205,000,000.00	131,235,780.65	358,766,423.71	83,353,797.75	506,159,979.34

56. Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Unit:
Yuan

Supplementary information	Amount for the current period	Amount of the previous period
1. Reconcile net profit to cash flow from operating activities		
Net profit	194,091,756.35	88,102,879.74
Add: asset impairment provision	28,118,793.60	22,339,517.17
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	91,201,508.04	73,430,650.23
Depreciation of right-of-use assets	27,438,991.98	35,188,745.72
Amortization of intangible assets	3,235,501.95	3,001,781.50
Amortization of long-term deferred expenses	8,661,195.05	19,395,394.40
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains are listed with "- ")	-107,625.87	817,756.42
Loss of scrapping of fixed assets (income is listed with "- ")	621,530.76	764,806.17
Loss from changes in fair value (gains are listed with "- ")		-117,200.00
Financial expenses (income is listed with "- ")	20,353,416.55	3,310,865.86
Investment loss (gains are listed with "- ")	-134,029,742.82	-3,952,771.18
Decrease in Deferred Tax Assets (increases are listed with "- ")	-6,903,464.77	-12,670,709.88
Increase in Deferred Tax Liabilities (decrease is listed with "- ")	7,072,246.83	7,641,907.02
Decrease in inventory (increases are marked with "- ")	13,673,733.50	98,119,997.73
Decrease in operating receivables (increases are listed with "- ")	-307,736,502.76	-35,149,171.27
Increase in operating payables (decrease is listed with "- ")	406,659,293.90	-187,879,856.59
other	40,024,150.01	24,988,204.00
Net cash flow from operating activities	392,374,782.30	137,332,797.04
2. Significant investing and financing activities that do not involve cash receipts and payments		
Debt to capital		
Convertible corporate bonds maturing within one year		
Finance lease of fixed assets		
3. Net changes in cash and cash equivalents:		

Ending balance of cash	527,879,261.54	438,009,246.87
Less: opening balance of cash	438,009,246.87	673,277,524.32
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Cash and cash equivalents	89,870,014.67	-235,268,277.45

(2) Net cash received from disposal of subsidiaries in the current period

	Unit: Yuan
	Amount
Cash or cash equivalents received in the current period from disposal of subsidiaries	100,000,000.00
Of which:	
Shanghai Anshibo Energy Technology Co., Ltd	100,000,000.00
Less: cash and cash equivalents held by the company on the day it lost control	33,422,875.84
Of which:	
Shanghai Anshibo Energy Technology Co., Ltd	23,660,476.80
Suzhou Bodian Yunke Energy Technology Co., Ltd	9,762,399.04
Of which:	
Net cash received from disposal of subsidiaries	66,577,124.16

Other instructions:

(3) Composition of cash and cash equivalents

	Unit: Yuan	
Projects	Ending balance	Opening balance
I. Cash	527,879,261.54	438,009,246.87
Of which: cash on hand	27,752.25	5,961.65
Bank deposits that can be used for payment at any time	520,421,625.93	430,590,321.90
Other monetary funds that can be used for payment at any time	7,429,883.36	7,412,963.32
III. Balance of cash and cash equivalents at the end of the period	527,879,261.54	438,009,246.87

57. Foreign currency monetary items

(1) Foreign currency monetary items

	Unit: Yuan		
Projects	Foreign currency balance at the end of the period	Converted exchange rate	RMB balance converted at the end of the period
Monetary fund			206,134,017.24
Of which: US dollars	28,220,369.26	7.08270000	199,876,409.36
EUR			
HKD	11,538.48	0.90622021	10,456.40
Vietnamese dong	16,528,940,202.00	0.00029207	4,827,607.56
New Taiwan Dollar	6,157,029.00	0.23055664	1,419,543.92
Accounts Receivable			361,909,362.61

Of which: US dollars	51,014,640.16	7.08270000	361,321,391.86
EUR			
HKD	436,069.88	0.90622021	395,175.34
Vietnamese dong	660,100,000.00	0.00029207	192,795.41
Long-term loan			
Of which: US dollars			
EUR			
HKD			
Other receivables			2,857,818.97
Of which: US dollars	382,477.58	7.08270000	2,708,973.96
Vietnamese dong	307,324,460.00	0.00029207	89,760.26
New Taiwan Dollar	256,270.00	0.23055664	59,084.75
Account payables			50,738,620.50
Of which: US dollars	6,588,393.59	7.08270000	46,663,615.28
Vietnamese dong	13,952,152,643.00	0.00029207	4,075,005.22
Other payables			3,267,218.10
Of which: US dollars	28,320.55	7.08270000	200,585.96
HKD	355,653.83	0.90622021	322,300.69
Vietnamese dong	9,108,187,460.00	0.00029207	2,660,228.31
New Taiwan Dollar	364,783.00	0.23055664	84,103.14
Employee compensation payable			6,691,658.38
Of which: US dollars	1,080.10	7.08270000	7,650.02
HKD	896,707.83	0.90622021	812,614.76
Vietnamese dong	14,796,312,990.00	0.00029207	4,321,559.13
New Taiwan Dollar	6,722,142.00	0.23055664	1,549,834.47

Other instructions:

(2) The description of overseas business entities, including important overseas business entities, should disclose their main overseas business locations, accounting standard currency and the basis for selection, and the reasons for changes in accounting standard currency should also be disclosed.

Applicable Not applicable

1. The main place of business of Hong Kong Honor Electron Technology Co., Ltd., a subsidiary of the Company, is Hong Kong, with Hong Kong dollar as the functional currency.
2. The main business place of Vietnam Honor Electron Technology Co., Ltd., a subsidiary of the Company, is Vietnam, with Vietnamese dong as the accounting standard currency.
3. The main business place of Honor Electron Technology Co., Ltd., a subsidiary of the Company (USA), is the United States, and the US dollar is the functional currency for bookkeeping

58. Lease

(1) The Company as the lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not Applicable

Simplify lease fees for short-term leases or low-value assets

Applicable Not applicable

Projects

Short-term rental expenses

Total

Circumstances involving sale and leaseback transactions

(2) The company acts as the lessor

Operating lease as lessor

Applicable Not applicable

Unit:

Projects	Rental income	Including: variable leases not included in lease receipts
		Income related to payment amount
China Southern Airlines Pearl Garden shops for rent	1,945,824.85	
Ganzhou factory for rent	313,738.04	
Dongguan Container Supermarket Rental	20,642.20	
Total	2,280,205.09	

Finance lease as lessor

Applicable Not Applicable

Undiscounted lease receipts for each of the next five years

Applicable Not Applicable

Reconciliation of Undiscounted Lease Receipts to Net Lease Investment

(3) Recognize the profit and loss of finance lease sales as a manufacturer or distributor

Applicable Not Applicable

VIII. R&D; expenditure

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Employee compensation	152,521,152.49	136,737,877.57
Material cost	32,533,851.11	25,134,027.35
depreciation and amortization	24,452,757.54	23,016,546.13
other	20,680,638.38	12,998,797.99
Total	230,188,399.52	197,887,249.04
Including: cost-based R&D; expenditure	230,188,399.52	197,887,249.04

IX. Changes in the scope of consolidation

1. Disposal of subsidiaries

Whether there is any transaction or event that loses control of the subsidiary in the current period

Yes No

Unit:
Yuan

Subsidiary name	Disposal price at the time of loss of control	Disposal ratio at the point of loss of control	Disposal at the time of loss of control	Point in time of loss of control	Judgment basis for the time when control is lost	At the level of the consolidated financial statements corresponding to the disposal price and the disposal investment, the subsidiary enjoys the share of the net assets of the subsidiary Difference	Proportion of remaining equity on the date of loss of control	Book value of remaining equity at the consolidated financial statement level on the date of loss of control	Fair value of remaining equity at the consolidated financial statement level on the date of loss of control	Gains or losses arising from remeasurement of remaining equity at fair value	The method for determining the fair value of the remaining equity at the consolidated financial statement level on the date of loss of control and the assumptions	Amount of other comprehensive income related to equity investment in atomic company transferred to investment gains and losses or retained earningsAssume
Shanghai Anshibo Energy Technology Co., Ltd	144,000,000.00	60.00%	Equity transfer	November 30, 2023	The equity transfer agreement has been signed and 60.00% of the transfer price has been paid	82,429,187.12	40.00%	41,047,208.59	93,600,000.00	52,552,791.41	Appraisal Value /Going Concern	

Other instructions:

On October 17, 2023, the company signed an equity transfer agreement with Shanghai Anshibo. The company will increase the capital of Shanghai Anshibo through its 100.00% stake in Suzhou Bodian at a price of 100,000,000.00 yuan. After the transfer, the company will indirectly hold 100.00% of Suzhou Bodian through Shanghai Anshibo. The company transferred 60.00% equity of Shanghai Anshibo to Wang Yuetian and Shang Yunsi in November 2023, and lost control of Shanghai Anshibo and Suzhou Bodian on November 30, 2023.

Whether there is a situation in which the investment in the subsidiary is disposed of step by step through multiple transactions and the control is lost in the current period

■ whether

2. Changes in the scope of consolidation due to other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as newly established subsidiaries, liquidation subsidiaries, etc.) and related circumstances:

On November 10, 2023, Shenzhen Honor Electronic Co., Ltd. established Shanghai Honor Electron Electronic Technology Co., Ltd., with a registered capital of RMB 10 million and a paid-in capital of RMB 1.0 million. The registered address is Floor 2, Building 2, No. 715 Yingshun Road, Qingpu District, Shanghai.

Shanghai Honor Electron Electronic Technology Co., Ltd. has been included in the scope of consolidation since its establishment.

In line with the company's overall development strategy, Hangzhou Honor Electron, a wholly-owned subsidiary of the company, will be cancelled on December 7, 2023, and Hangzhou Honor Electron will no longer be included in the scope of consolidation from the date of cancellation.

X .rights and interests in other entities

1. Interests in subsidiaries

(1) Composition of enterprise groups

Subsidiary name	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding ratio		Unit: Yuan How to get
					Direct	Indirect	
Honor Electron (Ganzhou) Electronics Co., Ltd	126,675,603.00	Jiangxi Province	Ganzhou City, Jiangxi Province	Mainly engaged in the production and processing of power adapters and other power products	100.00%		Merge under the same control
Hong Kong Honor Electron Technology Co., Ltd	113,146,724.00	Hongkong	Hongkong	Mainly engaged in overseas sales of power adapters and other power products	100.00%		Investment establishment
Dongguan Honor Electron Electronics Co., Ltd	208,000,000.00	Guangdong Province	Dongguan City, Guangdong Province	Mainly engaged in the research and development, production and sales of power adapters and other power products	100.00%		Investment establishment
(USA) Axnon LLC	6,575,500.00	U.S	U.S	Mainly engaged in the sales and customer service of various power products	100.00%		Investment establishment

Hangzhou Yundian Technology Energy Co., Ltd	100,000,000.00	Zhejiang Province	Hangzhou City, Zhejiang Province	Mainly engaged in the research and development of various power products and customer service	80.00%		Investment establishment
Shenzhen Honor Electron Zhilian Technology Co., Ltd	3,500,000.00	Guangdong Province	Shenzhen City, Guangdong Province	Mainly engaged in customer service for various power products	100.00%		Investment establishment
Suzhou Yundian Electronic Manufacturing Co., Ltd	50,000,000.00	Jiangsu Province	Suzhou City, Jiangsu Province	Mainly engaged in the production of server power supplies	100.00%		Investment establishment
Shanghai Honor Electron Electronic Technology Co., Ltd	10,000,000.00	Shanghai	Shanghai	Mainly engaged in the research and development of various power products and customer service	100.00%		Investment establishment
Vietnam Honor Electron Technology Co., Ltd	109,969,120.05	Vietnam	Vietnam	Mainly engaged in the production and overseas sales of various power products		100.00%	Investment establishment

Unit:
Yuan

Explanation that the shareholding ratio in the subsidiary is different from the voting rights ratio:

The 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:

For important structured entities included in the scope of consolidation, the basis for control is:

Basis for determining whether a company is an agent or a principal:

Other instructions:

2. Interests in joint arrangements or associates

(1) Important joint ventures or associates

Name of joint venture or associate	Main place of business	Place of registration	Nature of business	Shareholding ratio		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
Shanghai Anshibo Energy Technology Co., Ltd	Shanghai	Shanghai	Mainly engaged in the research and development of various power products and customer service	36.92%		Equity method accounting

A description of the proportion of shares held in a joint venture or associate that is different from the proportion of voting rights:

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

(2) Main financial information of important associates

Unit:
Yuan

	Balance at the end of the period/amount incurred in the current period	Balance at the beginning of the period/Amount incurred in the previous period
	Shanghai Anshibo	Shanghai Anshibo
Current assets	146,673,225.08	49,846,902.90
Non-current assets	91,242,338.79	72,150,229.79
total assets	237,915,563.87	121,997,132.69
Current liabilities	89,025,597.71	29,485,040.90
Non-Current liabilities	35,748,414.45	13,124,090.09
Total liabilities	124,774,012.16	42,609,130.99
Minority interests		
Shareholders' equity attributable to common shareholders of parent company	113,141,551.71	79,388,001.70
Share of net assets calculated by shareholding ratio	41,771,860.89	29,310,050.23
Adjustment matters		
- goodwill		
--Unrealized profit on internal transactions		
--other		
Book value of equity investment in associates	90,101,287.36	
Fair value of equity investments in associates with publicly quoted prices		
Operating income	172,702,194.60	7,910,972.88
Net profit	-74,108,562.54	-70,416,025.80
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	-74,108,562.54	-70,416,025.80
Dividends received from associates during the year		

Other instructions:

(3) Consolidated financial information of insignificant joint ventures and associates

Unit:
Yuan

	Balance at the end of the period/amount incurred in the current period	Balance at the beginning of the period/Amount incurred in the previous period
Joint venture:		
Total book value of investments	796,790.14	858,469.31
The total number of the following items calculated according to the shareholding ratio		
--net profit	-61,679.17	-39,358.81
--total comprehensive income	-61,679.17	-39,358.81
Associates:		
The total number of the following items calculated according to the shareholding ratio		

Other instructions:

11. Government subsidies

1. Government subsidies recognized at the end of the reporting period based on the amount receivable

■ Applicable Not Applicable

Reasons for not receiving the estimated amount of government grants at the estimated time

■ Applicable Not Applicable

2. Liability items involving government subsidies

Applicable ■ Not applicable

Unit:
Yuan

Accounting subjects	Opening balance	New subsidy amount in this period	Amount included in non-operating income for the current period	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Related to assets/income
Deferred income	6,122,057.05	6,960,000.00		4,246,405.22		8,835,651.83	Related to assets
Total	6,122,057.05	6,960,000.00		4,246,405.22		8,835,651.83	

3. Government subsidies included in current profits and losses

Applicable ■ Not applicable

Unit:
Yuan

Accounting subjects	Amount in the current period	Amount in the previous period
Other income	11,317,917.36	15,359,897.66
Total	11,317,917.36	15,359,897.66

Other instructions

XII. Risks associated with financial instruments

1. Various risks arising from financial instruments

The Company's main financial instruments include monetary funds, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, other payables, etc.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk.

(1) Credit risk

Credit risk refers to the risk of financial losses incurred by the other party due to the non-performance of obligations by financial instruments.

The Company manages credit risk by portfolio classification. Credit risk mainly arises from bank deposits and accounts receivable. The Company's bank deposits are mainly deposited in banks with higher credit ratings, and the Company expects that there is no significant credit risk in bank deposits.

For accounts receivable, the Company sets relevant policies to control credit risk exposure. The company evaluates the debtor's credit qualifications based on the debtor's financial status, credit history and other factors such as current market conditions, and sets the corresponding amount of arrears and credit period. The Company's maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet. The Company has not provided any guarantees that may expose the Company to credit risk.

For quantitative data on the Company's credit risk exposure arising from accounts receivable and other receivables, please refer to the disclosures in Notes VII. 4. Accounts Receivable and VII. 6. Other Receivables in this Note.

(2) Market risk

Market risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk mainly includes exchange rate risk and interest rate risk.

1. Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The risk of foreign exchange changes faced by the Company is mainly related to the Company's operating activities, due to the sales of the operating units in currencies other than its functional currency.

For the listing of foreign currency financial assets and foreign currency financial liabilities of the Company at the end of the period, please refer to Note VII. 57. Description of foreign currency monetary items.

2. Interest rate risk

The Company's interest rate risk arises from interest-bearing debts such as bank loans. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, and financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. As of December 31, 2023, the Company's interest-bearing debts are mainly RMB loan contracts with a total amount of RMB 506,159,979.34.

(3) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when the company fulfills its settlement obligations by delivering cash or other financial assets.

When managing liquidity risk, the Company maintains and monitors cash and cash equivalents that management believes are sufficient to meet the Company's operating needs and reduce the impact of cash flow fluctuations. The Company's management monitors the use of bank borrowings and ensures compliance with borrowing agreements.

The company's goal is to use a variety of financing means to maintain a balance between continuity and flexibility in financing.

The company regards bank borrowings and estimated cash flows from operations as its main sources of funds. As of December 31, 2023, the Company will be able to meet its own continuous operation requirements by utilizing operating cash flow and unused loan lines.

The financial liabilities held by the Company are analyzed according to the maturity period of the undiscounted remaining contractual obligations as follows:

Projects	December 31, 2023				
	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Short-term loan	115,057,750.00	-	-	-	115,057,750.00
Notes payable	468,760,151.92	-	-	-	468,760,151.92
Account payables	733,712,931.50	1,890,464.93	626,465.98	1,259,703.31	737,489,565.72
Other payables	22,299,242.84	432,562.66	191,019.03	511,197.86	23,434,022.39
Non-current liabilities due in one year	45,119,278.31	-	-	-	45,119,278.31
Other current liabilities	69,522,971.58	-	-	-	69,522,971.58
Long-term loan	-	-	-	319,550,000.10	319,550,000.10
Lease liabilities	-	14,574,448.03	6,749,796.25	5,108,706.65	26,432,950.93

Continue the table above:

Projects	December 31, 2022				
	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Short-term loan	200,546,763.89	-	-	-	200,546,763.89
Notes payable	291,492,369.24	-	-	-	291,492,369.24
Account payables	657,561,179.57	819,313.48	696,429.63	1,027,237.24	660,104,159.92
Other payables	41,434,587.29	158,571.22	724,681.12	202,890.52	42,520,730.15
Non-current liabilities due in one year	97,582,589.98	-	-	-	97,582,589.98
Other current liabilities	33,942,793.74	-	-	-	33,942,793.74
Long-term loan	-	50,000,000.00	-	211,990,000.06	261,990,000.06
Lease liabilities	-	12,446,562.20	12,272,679.26	8,316,624.87	33,035,866.33

2. Financial assets

(1) Classification of transfer methods

Applicable ■ Not applicable

Unit: Yuan

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Termination of confirmation	Judgment basis for termination of confirmation
Endorsement	Bank acceptance bills not yet due in notes receivable	69,427,976.57	Confirmation not terminated	Since the bank acceptance bills in the bills receivable are accepted by banks with low credit ratings, the endorsed or discounted bank acceptance bills do not affect the right of recourse, and the credit risk and deferred payment risk related to the bills have not been transferred, so the recognition has not been terminated.
Endorsement	Bank acceptance bills not yet due in notes receivable	93,236,408.56	Terminate confirmation	Since the bank acceptance bill in the receivable financing is accepted by the bank with higher credit rating, the credit risk and deferred payment risk are very small, and the interest rate risk related to the bill has been transferred to the bank, it can be judged that the main risk and reward on the ownership of the bill have been transferred, so the confirmation is terminated.
Discount	Bank acceptance bills not yet due in notes receivable		Confirmation not terminated	
Discount	Bank acceptance bills not yet due in notes receivable	72,646,620.70	Terminate confirmation	
Total		235,311,005.83		

(2) Financial assets derecognized due to transfer

Applicable Not applicable

Unit:
Yuan

Projects	How to transfer financial assets	Amount of derecognized financial assets	Gains or losses related to derecognition
Bank acceptance bills not yet due in receivables financing	Endorsement	93,236,408.56	
Unexpired Di Chain Collection Vouchers in Accounts Receivable Financing	Discount	72,646,620.70	
Total		165,883,029.26	

(3) Financial assets that continue to be involved in the transfer of assets

Applicable Not Applicable

Other instructions

XIII. Disclosure of Fair Value

1. End-of-period fair value of assets and liabilities measured at fair value

Unit:
Yuan

Projects	Fair value at the end of the period			
	First-level fair value measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Ongoing fair value measurement	--	--	--	--
1. Financial assets measured at fair value through other comprehensive income			17,633,625.14	17,633,625.14
(1) Receivables financing			17,633,625.14	17,633,625.14
Total assets continuously measured at fair value			17,633,625.14	17,633,625.14
II. Discontinuous fair value measurement	--	--	--	--

14. Related parties and related transactions

1. The parent company of the company

Parent company name	Place of registration	Nature of business	Registered capital	Parent company's shareholding ratio in the company	The proportion of voting rights of the parent company to the company
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Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	Nanjing City, Jiangsu Province	Equity investment	Rmb83.00mn	28.89%	28.89%
Shenzhen Genoli Information Consulting Co., Ltd	Shenzhen City, Guangdong Province	Equity investment	RMB 1.4 million	28.89%	28.89%

Description of the parent company of the enterprise

As of December 31, 2023, Shenzhen Wangyuewang Investment Partnership (Limited Partnership) and Shenzhen Genoli Information Consulting Co., Ltd. hold 29,234,023.00 shares of the Company, respectively, accounting for 28.89% of the total shares of the Company; they respectively control 28.89% of the voting rights of the Company and are the controlling shareholders of the Company.

The ultimate controllers of the enterprise are Wang Heqiu, Wang Yulin, Wang Yuetian, Wang Yuefei and Shang Yunsi.

Other instructions:

2. Subsidiaries of the company

For details of the company's subsidiaries, please refer to Note X. Equity in other entities\ 1. Equity in subsidiaries.

3. The situation of the joint venture and joint venture of the enterprise

For details of the company's important joint ventures or associates, please refer to Note X. Interests in other entities\ 2. Interests in joint venture arrangements or associates.

Other joint ventures or associates that have related party transactions with the company in the current period, or have related party transactions with the company in the previous period to form a balance are as follows:

Joint venture or joint venture name	Relationship with the company
-------------------------------------	-------------------------------

Other instructions:

4. Related party transactions

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

Procurement of goods/acceptance of labor status table

Unit:
Yuan

Related party	Related transaction content	Amount in the current period	Approved transaction amount	Whether the transaction limit is exceeded	Amount in the previous period
Shenzhen Hangcheng Enterprise Headquarters Management Co., Ltd	Project management service fee	184,322.20		No	

Suzhou Bodian Yunke Energy Technology Co., Ltd	Processing fee	255,948.48		No	
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Sales of goods/provision of services

Unit:
Yuan

Related party	Related transaction content	Amount in the current period	Amount in the previous period
Shanghai Anshibo Energy Technology Co., Ltd	Processing fee	110,509.81	

Description of related party transactions for purchase and sale of goods, provision and acceptance of labor services

(2) Related guarantees

The company as the guarantor

Unit:
Yuan

Guaranteed party	Guaranteed amount	Guarantee start date	Guarantee Expiry Date	Whether the guarantee has been fulfilled
Dongguan Honor Electron Electronics Co., Ltd	201,040,000.00	October 11, 2021	October 10, 2029	No
Vietnam Honor Electron Technology Co., Ltd	34,759,500.00	March 01, 2023	December 31, 2023	Yes

The company as the guaranteed party

Unit: Yuan

Guarantor	Guaranteed amount	Guarantee start date	Guarantee Expiry Date	Whether the guarantee has been fulfilled
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Description of related guarantees

Note 1: On October 11, 2021, Dongguan Honor Electron, a subsidiary of the company, signed a fixed asset loan contract numbered GDK 476790120210153 with Bank of China Ltd. Dongguan Branch. Dongguan Honor Electron can apply to Bank of China Ltd. Dongguan Branch for a maximum loan amount of RMB 201.40 million. The joint liability guarantee is jointly undertaken by Shenzhen Honor Electronic Co., Ltd. under the above-mentioned contract; and the joint liability guarantee is jointly undertaken by Dongguan Honor Electron's own real estate as mortgage under the above-mentioned contract. The guarantee number is GBZ 476790120210118 Maximum Guarantee Contract and GDY 47679012023093 Maximum Mortgage Contract.

Note 2: On November 4, 2022, Honor Electron Vietnam signed a "letter of offer" financing agreement with Citibank, N, A., Hanoi Branch. Honor Electron Vietnam can apply to Citibank, N, A., Hanoi Branch for a maximum loan amount not exceeding the equivalent of US \$5,000,000.00; Shenzhen Honor Electronic Co., Ltd. applies for a bank guarantee/standby certificate from Citibank (China) Co., Ltd., and Citibank (China) Co., Ltd. issues a bank guarantee/standby certificate to Citibank, N, A., Hanoi Branch according to the application of Shenzhen Honor Electronic Co., Ltd.. Citibank, N, A., Hanoi Branch release the loan limit according to the bank guarantee/standby certificate issued. As of December 31, 2023, the "letter of offer" financing agreement signed by Honor Electron Vietnam and Citibank, N, A., Hanoi Branch has not been executed, and Shenzhen Honor Electronic Co., Ltd. has not applied for a bank guarantee/backup certificate from Citibank (China) Co., Ltd.

(3) Remuneration of key management personnel

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Remuneration of key management personnel	15,347,460.36	11,945,788.69

(4) Other related party transactions

Equity transfer of related parties

2023

Related party	Relationship	Related party transaction content	Currency	Transaction amount
Wang Yuetian, Shang Yunsi	The actual controller of the company	Part of the equity transfer of the wholly-owned subsidiary	RMB	144,000,000.00

Note: On September 28, 2023, the company held the second meeting of the third board of directors in 2023, and reviewed and approved the "Proposal on Transferring 60% Equity Interests in Wholly Owned Subsidiaries and Giving Up Priority to Subscribing Capital Contribution Rights and Related Transactions". The company transferred 60% equity of Shanghai Anshibo to the actual controllers of the company, Mr. Wang Yuetian and Ms. Shang Yunsi, at a transaction consideration of RMB 144 million. Among them, Mr. Wang Yuetian received 36% of the equity, and Ms. Shang Yunsi received 24% of the equity. The relevant agreement of this transaction was signed by the aforementioned related parties and became effective after being approved by the board of directors and the general meeting of shareholders.

On October 17, 2023, the company held the fifth extraordinary general meeting of shareholders in 2023, and reviewed and approved the "Proposal on Transfer of 60% Equity Interests in Wholly Owned Subsidiaries and Abandonment of Priority Subscription and Capital Contribution Rights and Related Party Transactions."

On November 28, 2023, the company has received the first equity transfer payment totaling RMB 100 million from the counterparties, Mr. Wang Yuetian and Ms. Shang Yunsi.

5. Accounts receivable and payable from related parties

(1) Receivables

Unit:
Yuan

Name of project	Related party	Ending balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts Receivable	Shanghai Anshibo Energy Technology Co., Ltd	124,876.08			
Other receivables	Wang Yuetian, Shang Yunsi	44,000,000.00			

(2) Payable items

Unit:
Yuan

Name of project	Related party	Book balance at the end of the period	Book balance at the beginning of the period
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Account payables	Suzhou Bodian Yunke Energy Technology Co., Ltd	503,595.88	
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15. Share-based payment

1. The overall situation of share-based payment

Applicable Not applicable

Unit:
Yuan

Grant object category	Granted in the current period		Exercise in the current period		Unlocked in this issue		Expiration of the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Production staff							31,000.00	1,321,840.00
Salesperson							67,000.00	2,856,880.00
Manager							109,000.00	4,569,820.00
R&D; personnel							363,000.00	12,698,460.00
Total							570,000.00	21,447,000.00

Stock options or other equity instruments issued at the end of the period

Applicable Not Applicable

Other instructions:

Note: The lapsed amount in the current period is the share-based payment fee corresponding to the lapsed amount in the current period, that is, the lapsed amount in the current period = the lapsed amount in the current period * (the fair value of the first category of restricted shares-the grant price).

2. Equity-settled share-based payments

Applicable Not applicable

Unit:
Yuan

Method for determining the fair value of equity instruments on the grant date	Grant Date Closing Price/Option Pricing Model
Important parameters for the fair value of equity instruments on the grant date	The stock price volatility selects the historical volatility of the Shenzhen Stock Exchange
The basis for determining the number of exercisable equity instruments	Determined based on the number of grantees who have not separated at the end of each reporting period
Reasons for significant differences between the current estimate and the previous estimate	No
The cumulative amount of equity-settled share-based payments included in the capital reserve	65,012,354.01
The total amount of expenses recognized for equity-settled share-based payments in the current period	40,024,150.01

Other instructions:

3. Share-based payment expenses for the current period

Applicable ■ Not applicable

Unit:
Yuan

Grant object category	Equity-settled share-based payment fees	Cash-settled share-based payment fees
Production staff	2,138,984.36	
Salesperson	3,979,681.62	
Manager	8,313,444.98	
R&D; personnel	25,592,039.05	
Total	40,024,150.01	

Other instructions:

4. Modification and termination of share-based payment

The Company held the fourth meeting of the second board of directors in 2023 and the fourth meeting of the second board of supervisors in 2023 on June 6, 2023, and reviewed and approved the "Proposal on Terminating the Implementation of the 2021 Restricted Stock Incentive Plan and Repurchase, Cancellation and Cancellation of Restricted Shares". According to the "Administrative Measures for Equity Incentives of Listed Companies" (hereinafter referred to as the "Administrative Measures ") and the " Restricted Stock Incentive Plan for 2021 "(hereinafter referred to as the" Incentive Plan "or the" Incentive Plan "), the Company, in light of the actual situation, due to the large changes in the internal and external environment faced by the Company's operations compared with the time when the equity incentive plan was formulated, has led to deviations between the Company's expected operating conditions and the assessment indicators of the incentive plan. The board of directors intends to adjust the company's strategy, and it is difficult to achieve the incentive effect for the incentive objects by continuing to promote and implement the incentive plan. In order to protect the legitimate rights and interests of the company and the majority of investors, it was decided to terminate the implementation of the 2021 restricted stock incentive plan. The incentive objects involve the first class of restricted stocks that have been granted but not yet lifted, which will be repurchased and cancelled by the company, and the second class of restricted stocks that have been granted but not yet vested will be voided by the company. On June 26, 2023, the company held the third extraordinary general meeting of shareholders in 2023, reviewed and approved the "Proposal on Terminating the Implementation of the 2021 Restricted Stock Incentive Plan and Repurchase, Cancellation and Cancellation of Restricted Shares", and disclosed the "Announcement on Repurchase and Cancellation of Certain Restricted Shares and Notification to Creditors" on the same day.

XVI. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

At the end of the reporting period, the company had no major commitments that should be disclosed.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

At the end of the reporting period, the Company had no material contingencies that should be disclosed.

(2) The company has no important contingencies that need to be disclosed and should also be explained

The company has no material contingencies that need to be disclosed.

VII. Events after the balance sheet date

1. Profit distribution

The number of dividends to be distributed per 10 shares (yuan)	3.4
Proposed distribution of dividends for every 10 shares (shares)	0
The number of shares to be allocated for every 10 shares (shares)	0
The number of dividends per 10 shares declared after deliberation and approval (yuan)	3.4
For every 10 dividend shares (shares) declared for distribution after deliberation and approval	0
The number of shares (shares) for every 10 shares issued after deliberation and approval	0
Profit distribution plan	Based on the company's existing total share capital of 101,200,000 shares, excluding the company's current share balance of 1,655,300 shares in the special repurchase account (the company's shares held by the company through the special repurchase account will not participate in this profit distribution), a total of 99,544,700 shares will be distributed. Based on this, a cash dividend of RMB 3.40 (including tax) will be distributed to all shareholders for every 10 shares. A total of 33,845,198.00 yuan (tax included) of cash dividends were distributed. No bonus shares will be given out this year, and no capital reserve will be converted into share capital.

2. Description of other events after the balance sheet date

The progress of the company's issuance of convertible corporate bonds to unspecified objects

The company's issuance of convertible corporate bonds to unspecified objects was approved and registered by the China Securities Regulatory Commission Securities Regulatory Commission [2024] No. 219 on February 1, 2024.

XVIII. Notes to the main items in the financial statements of the parent company

1. Accounts receivable

(1) Disclosure by age

Unit:
Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	979,245,798.04	847,130,298.54
1 to 2 years	7,489,004.26	217,708.20
2 to 3 years	215,433.51	6,856,875.21
More than 3 years	9,056,013.57	2,202,955.56
3 to 4 years	6,854,803.82	415,316.29
4 to 5 years	415,316.29	1,763,430.31
More than 5 years	1,785,893.46	24,208.96
Total	996,006,249.38	856,407,837.51

(2) Disclosure by classification according to bad debt accrual method

Unit:
Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Accounts receivable with provision for bad debts on a single-item basis	301,527,708.03	30.27%	8,190,372.29	2.72%	293,337,335.74	235,272,183.03	27.47%	8,117,708.99	3.45%	227,154,474.04
Of which:										
Accounts receivable with provision for bad debts by portfolio	694,478,541.35	69.73%	35,961,676.96	5.18%	658,516,864.39	621,135,654.48	72.53%	32,162,085.45	5.18%	588,973,569.03
Of which:										
Total	996,006,249.38	100.00%	44,152,049.25	4.43%	951,854,200.13	856,407,837.51	100.00%	40,279,794.44	4.70%	816,128,043.07

Provision for bad debts by single item: 8,190,372.29 yuan

Unit:
Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Dongguan Honor Electron Electronics Co., Ltd	6,855,771.29		40,110,391.80			No bad debts are accrued within the scope of consolidation
Hong Kong Honor Electron Technology Co., Ltd	91,083,705.31		48,199,017.22			No bad debts are accrued within the scope of consolidation
Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch	45,955,784.05		20,589,559.41			No bad debts are accrued within the scope of consolidation
Vietnam Honor Electron Technology Co., Ltd	76,756,744.96		127,371,739.49			No bad debts are accrued within the scope of consolidation
Suzhou Yundian Electronic Manufacturing Co., Ltd			56,778,099.73			No bad debts are accrued within the scope of consolidation

Sichuan Yihaihua Technology Co., Ltd	2,971,390.41	2,971,390.41	2,971,390.41	2,971,390.41	100.00%	Not expected to be recovered
Yihaihua (Hong Kong) Technology Co., Ltd	3,916,894.59	3,916,894.59	3,983,314.09	3,983,314.09	100.00%	Not expected to be recovered
Beijing Yixin Huiming Technology Co., Ltd	1,229,423.99	1,229,423.99	1,229,423.99	1,229,423.99	100.00%	Not expected to be recovered
Shanghai Anshibo Energy Technology Co., Ltd			124,876.08	6,243.80	5.00%	Consolidated external related parties
(USA) Axnon LLC	160,464.38		163,185.41			No bad debts are accrued within the scope of consolidation
Hangzhou Yundian Technology Energy Co., Ltd			6,710.40			No bad debts are accrued within the scope of consolidation
Suzhou Bodian Yunke Energy Technology Co., Ltd	6,342,004.05					No bad debts are accrued within the scope of consolidation
Total	235,272,183.03	8,117,708.99	301,527,708.03	8,190,372.29		

Provision for bad debts by combination: RMB 35,961,676.96

Unit:
Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	692,845,346.04	34,642,267.30	5.00%
1-2 years (including 2 years)	148,259.56	14,825.96	10.00%
2-3 years (including 3 years)	215,433.51	43,086.70	20.00%
3-4 years (including 4 years)	16,010.48	8,005.24	50.00%
More than 4 years	1,253,491.76	1,253,491.76	100.00%
Total	694,478,541.35	35,961,676.96	

Description of the basis for determining the combination:

If the provision for bad debts of accounts receivable is made according to the general model of expected credit loss:

■ Applicable Not Applicable

(3) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit:
Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Provision for bad debts on a single-item basis	8,117,708.99	72,663.30				8,190,372.29
Provision for bad debts by portfolio	32,162,085.45	3,799,591.51				35,961,676.96
Total	40,279,794.44	3,872,254.81				44,152,049.25

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

Unit:
Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the original bad debt provision ratio

(4) Accounts receivable and contract assets of the top five accounts receivable and contract assets at the end of the period collected by the owing party

Unit:
Yuan

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	As a percentage of the combined ending balance of accounts receivable and contract assets	The ending balance of the provision for bad debts of accounts receivable and the provision for impairment of contract assets
First place	127,371,739.49			12.79%	
Second place	56,778,099.73			5.70%	
Third place	53,220,939.94			5.34%	2,661,047.00
Fourth place	50,815,575.93			5.10%	2,540,778.80
Fifth place	48,199,017.22			4.84%	
Total	336,385,372.31			33.77%	5,201,825.80

2. Other receivables

Unit:
Yuan

Projects	Ending balance	Opening balance
Interest receivable	361,080.46	17,297.60
Other receivables	95,160,151.06	49,741,035.10
Total	95,521,231.52	49,758,332.70

(1) Interest receivable

1) Classification of interest receivable

Unit:
Yuan

Projects	Ending balance	Opening balance
Bank Acceptance Margin Interest	361,080.46	17,297.60
Total	361,080.46	17,297.60

2) Disclosure by classification of bad debt accrual method

Applicable Not applicable

Unit:

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Accrued by individual item	361,080.46	100.00%			361,080.46	17,297.60	100.00%			17,297.60
Account preparation										
Of which:										
Of which:										
Total	361,080.46	100.00%			361,080.46	17,297.60	100.00%			17,297.60

Provision for bad debts by individual item: RMB 0.00

Unit:
Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Bank Acceptance Margin Interest	17,297.60	0.00	361,080.46	0.00	0.00%	Bank interest, lower loss ratio
Total	17,297.60	0.00	361,080.46	0.00		

Provision for bad debts based on the general model of expected credit losses

Unit:
Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2023 in the current period				

The division basis of each stage and the ratio of provision for bad debts

Changes in the book balance with significant changes in the amount of loss reserves in the current period

Applicable Not Applicable

3) The provision for bad debts accrued, recovered or reversed in the current period

Unit:
Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	Other changes	

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

Unit:
Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the original bad debt provision ratio
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Other instructions:

4) Interest receivables actually written off in the current period

Unit:
Yuan

Projects	Write-off amount
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Among them, the important write-off of interest receivable

Unit:
Yuan

Unit name	Nature of payment	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the payment is generated by a related party transaction
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Write-off instructions:

Other instructions:

(2) Other receivables

1) Classification of other receivables by nature of payment

Unit:
Yuan

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Equity transfer payment	44,000,000.00	
Current payment	27,023,908.02	33,600,612.20
Export tax rebate	18,778,740.52	10,354,850.60
Security deposit and deposit	8,198,649.15	8,938,882.08
Withholding and paying social security/provident fund	1,049,466.06	744,220.56
other	1,703,942.31	828,544.66

Total	100,754,706.06	54,467,110.10
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2) Disclosure by age

Unit:
Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	92,885,110.84	37,492,127.21
1 to 2 years	32,400.00	13,303,200.62
2 to 3 years	4,165,412.95	13,220.00
More than 3 years	3,671,782.27	3,658,562.27
3 to 4 years	13,220.00	628,198.05
4 to 5 years	628,198.05	1,159,898.80
More than 5 years	3,030,364.22	1,870,465.42
Total	100,754,706.06	54,467,110.10

3) Disclosure by classification of bad debt accrual method

Unit:
Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Provision for bad debts on a single-item basis	71,641,606.07	71.10%	617,698.05	0.86%	71,023,908.02	34,218,310.25	62.82%	617,698.05	1.81%	33,600,612.20
Of which:										
Provision for bad debts by portfolio	29,113,099.99	28.90%	4,976,856.95	17.09%	24,136,243.04	20,248,799.85	37.18%	4,108,376.95	20.29%	16,140,422.90
Of which:										
Total	100,754,706.06	100.00%	5,594,555.00	5.55%	95,160,151.06	54,467,110.10	100.00%	4,726,075.00	8.68%	49,741,035.10

Provision for bad debts by individual item: RMB 617,698.05

Unit:
Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Wang Yuetian			26,400,000.00			Equity transfer of related parties outside the merger
Shang Yunsi			17,600,000.00			Equity transfer of related parties outside the merger
Vietnam Honor Hingh Tech Company Limited (Vietnam Honor Electron)	12,715,139.98		17,020,158.02			Consolidated related party transactions
Ganzhou Honor Electron			10,003,750.00			Consolidated related party transactions
Shenzhen Jingweixin Technology Co., Ltd	617,698.05	617,698.05	617,698.05	617,698.05	100.00%	The debtor is bankrupt
Dongguan Honor Electron Electronics Co., Ltd	20,885,472.22					Consolidated related party transactions
Total	34,218,310.25	617,698.05	71,641,606.07	617,698.05		

Provision for bad debts by combination: RMB 4,976,856.95

Unit:
Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	21,861,202.82	1,093,060.14	5.00%
1-2 years (including 2 years)	32,400.00	3,240.00	10.00%
2-3 years (including 3 years)	4,165,412.95	833,082.59	20.00%
3-4 years (including 4 years)	13,220.00	6,610.00	50.00%
4-5 years (including 5 years)	10,500.00	10,500.00	100.00%
More than 5 years	3,030,364.22	3,030,364.22	100.00%
Total	29,113,099.99	4,976,856.95	

Description of the basis for determining the combination:

Provision for bad debts based on the general model of expected credit losses:

Unit:
Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2023	4,108,376.95		617,698.05	4,726,075.00

Balance at January 1, 2023 in the current period				
Provision for the current period	868,480.00			868,480.00
Balance at December 31, 2023	4,976,856.95		617,698.05	5,594,555.00

The division basis of each stage and the ratio of provision for bad debts

Changes in the book balance with significant changes in the amount of loss reserves in the current period

■ Applicable Not Applicable

4) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit:
Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	other	
Provision for bad debts on a single-item basis	617,698.05					617,698.05
Provision for bad debts by portfolio	4,108,376.95	868,480.00				4,976,856.95
Total	4,726,075.00	868,480.00				5,594,555.00

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

Unit:
Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the original bad debt provision ratio

5) The top five other receivables of the ending balance collected by the arrears party

Unit:
Yuan

Unit name	Nature of money	Ending balance	Aging	As a percentage of the total ending balance of other receivables	Ending balance of bad debt provision
First place	Equity transfer payment	26,400,000.00	Within 1 year	26.20%	
Second place	Export tax rebate	18,778,740.52	Within 1 year	18.64%	938,937.03
Third place	Equity transfer payment	17,600,000.00	Within 1 year	17.47%	

Fourth place	Current payment	17,020,158.02	Within 1 year	16.89%	
Fifth place	Current payment	10,003,750.00	Within 1 year	9.93%	
Total		89,802,648.54		89.13%	938,937.03

3. Long-term equity investment

Unit:
Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	584,825,104.63		584,825,104.63	665,854,361.34		665,854,361.34
Investment in associates and joint ventures	41,771,860.88		41,771,860.88			
Total	626,596,965.51		626,596,965.51	665,854,361.34		665,854,361.34

(1) Investment in subsidiaries

Unit:
Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period				Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduce investment	Provision for impairment	other		
Honor Electron (Ganzhou) Electronics Co., Ltd	120,436,288.58					698,072.92	121,134,361.50	
Hong Kong Honor Electron Technology Co., Ltd	113,146,724.00						113,146,724.00	
Dongguan Honor Electron Electronics Co., Ltd	208,000,000.00						208,000,000.00	
(USA) Axnon LLC	6,575,500.00						6,575,500.00	
Hangzhou Yundian Technology Energy Co., Ltd	44,340,311.25		29,000,000.00			8,128,207.88	81,468,519.13	

Shenzhen Honor Electron Zhilian Technology Co., Ltd	3,500,000.00						3,500,000.00	
Shanghai Anshibo Energy Technology Co., Ltd	59,290,272.35		118,786,254.63	169,786,254.63		-8,290,272.35		
Suzhou Bodian Yunke Energy Technology Co., Ltd	106,000,000.00		24,000,000.00	130,000,000.00				
Hangzhou Honor Electron Electronic Technology Co., Ltd	4,065,265.16		4,000,000.00	8,000,000.00		-65,265.16		
Suzhou Yundian Electronic Manufacturing Co., Ltd	500,000.00		49,500,000.00				50,000,000.00	
Shanghai Honor Electron Electronic Technology Co., Ltd			1,000,000.00				1,000,000.00	
Total	665,854,361.34		226,286,254.63	307,786,254.63		470,743.29	584,825,104.63	

(2) Investment in associates and joint ventures

Unit:
Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period							Ending balance (book value)	Ending balance of impairment provision
			Addition investment	Reduce investment	Investment loss recognized under the equity method	Other comprehensive income adjustment	Changes in other equity	Declare cash dividends or dividends	Provision for impairment		
I. Joint venture											
II. Joint ventures											

Shanghai Anshibo Energy Technology Co., Ltd			41,047,208.58		-3,498,712.64		4,223,364.94				41,771,860.88	
Subtotal			41,047,208.58		-3,498,712.64		4,223,364.94				41,771,860.88	
Total			41,047,208.58		-3,498,712.64		4,223,364.94				41,771,860.88	

The recoverable amount is determined as the net amount of fair value less disposal expenses

■ Applicable Not Applicable

The recoverable amount is determined based on the present value of the expected future cash flows

■ Applicable Not Applicable

Reasons for discrepancies between the foregoing information and the information used in previous years' impairment tests or external information

The reason for the difference between the information used in the previous year's impairment test and the actual situation of the current year

4. Operating income and operating costs

Unit:
Yuan

Projects	Amount in the current period		Amount in the previous period	
	income	Cost	income	Cost
Main business	2,164,580,496.00	1,818,856,175.75	2,237,165,591.37	1,863,253,780.16
Other business	517,692,434.32	451,694,645.13	271,540,108.18	214,968,497.85
Total	2,682,272,930.32	2,270,550,820.88	2,508,705,699.55	2,078,222,278.01

Information related to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have signed contracts but have not been fulfilled or have not been fulfilled is RMB 454,500,840.07, of which RMB 454,500,840.07 is expected to be recognized as revenue in 2024.

5. Investment income

Unit:
Yuan

Projects	Amount in the current period	Amount in the previous period
Long-term equity investment income accounted for by the equity method	-29,351,549.75	
Investment income from disposal of long-term equity investments	-12,684,377.93	
Income from Bank Wealth Management Products	2,207,513.97	2,131,541.46
Total	-39,828,413.71	2,131,541.46

XIX. Supplementary information

1. Statement of non-recurring profit and loss for the current period

Applicable Not applicable

Unit:
Yuan

Projects	Amount	Description
Gains and losses on disposal of illiquid assets	134,468,073.64	Mainly the investment income recognized by the transfer of the equity of the subsidiary in the current period.
Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the company's profit and loss)	11,317,917.36	Mainly government subsidy income.
Profit and loss of entrusting others to invest or manage assets	2,608,156.10	It is the income from wealth management products actually received in the current period.
Other non-operating revenue and expenditure other than the above-mentioned items	258,124.04	
Other profit and loss items that meet the definition of non-recurring profit and loss	-20,743,315.69	
Less: Income tax impact amount	1,120,096.81	
Amount of impact on minority shareholders' equity (after tax)	-225,208.09	
Total	127,014,066.73	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable Not applicable

Other profit and loss items that meet the definition of non-recurring profit and loss are mainly value-added tax deduction, withholding tax handling fee refund, and share-based payment.

Explanation of the situation of defining the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss" as recurring profit and loss items

Applicable Not Applicable

2. Return on equity and earnings per share

Profit for the reporting period	Weighted average return on equity	EPS	
		Basic earnings per share (yuan/share)	Diluted earnings per share (yuan/share)
Net profit attributable to common shareholders of the company	10.52%	1.93	1.93
Net profit attributable to common shareholders of the company after deducting non-recurring gains and losses	3.69%	0.68	0.68

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

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

■ Applicable Not Applicable

(2) Differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards at the same time

■ Applicable Not Applicable

(3) Explanation of the reasons for the differences in accounting data under the domestic and foreign accounting standards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the overseas institution shall be indicated

■ Applicable Not Applicable