

A parent company is an investment entity if it meets all of the following conditions simultaneously:

- ① The company obtains funds from one or more investors for the purpose of providing investment management services for those investors.
- ② The company's sole business purpose is to provide returns for investors through capital appreciation, investment income, or both.
- ③ The company measures and evaluates the performance of substantially all of its investments on a fair value basis.

When a parent company changes from a non-investment entity to an investment entity, in addition to preparing consolidated financial statements by including in the scope of the consolidated financial statements only those subsidiaries that provide services related to its investment activities, the company ceases to consolidate other subsidiaries from the date of change and applies the principles similar to the disposal of part of a subsidiary's equity without loss of control.

When a parent company changes from an investment entity to a non-investment entity, it should include in the scope of consolidated financial statements those subsidiaries that were previously not included in the consolidated financial statements as of the date of change. The fair value of such subsidiaries on the date of change is treated as the transaction consideration for the acquisition, and accounted for using the accounting treatment for business combinations not under common control.

(3) Method of preparing consolidated financial statements

The Company prepares the consolidated financial statements based on its own and its subsidiaries' financial statements and other relevant information.

When preparing the consolidated financial statements, the Company treats the entire group as a single accounting entity, and reflects the overall financial position, operating results and cash flows of the group in accordance with the recognition, measurement and presentation requirements of the relevant Accounting Standards for Business Enterprises, applying uniform accounting policies and accounting periods.

- ① Consolidate the assets, liabilities, owners' equity, income, expenses, and cash flows of the parent company and its subsidiaries.
- ② Eliminate the parent company's long-term equity investments in its subsidiaries against the parent company's share of the owners' equity in the subsidiaries.
- ③ Eliminate the effects of internal transactions between the parent company and its subsidiaries, and among subsidiaries. Where an internal transaction indicates that the relevant asset has incurred impairment losses, such loss shall be recognized in full.



- ④ Adjust special transactions from the perspective of the enterprise group.

(4) Treatment of addition and disposal of subsidiaries during the reporting period

① Addition of subsidiaries or businesses

A. Subsidiaries or businesses added through business combinations under common control

(a) When preparing the consolidated balance sheet, adjust the opening balance of the consolidated balance sheet and adjust related items in the comparative financial statements, as if the post-combination reporting entity had always existed since the date when the ultimate controlling party first obtained control.

(b) When preparing the consolidated income statement, include the income, expenses and profit of the subsidiary or business from the beginning of the combination period to the end of the reporting period in the consolidated income statement, and adjust related items in the comparative financial statements, as if the post-combination reporting entity had always existed since the date when the ultimate controlling party first obtained control.

(c) When preparing the consolidated cash flow statement, include the cash flows of the subsidiary and business from the beginning of the combination period to the end of the reporting period in the consolidated cash flow statement, and adjust related items in the comparative financial statements, as if the post-combination reporting entity had always existed since the date when the ultimate controlling party first obtained control.

B. Subsidiaries or businesses added through business combinations not under common control

(a) When preparing the consolidated balance sheet, do not adjust the opening balance of the consolidated balance sheet.

(b) When preparing the consolidated income statement, include the income, expenses and profit of the subsidiary or business from the acquisition date to the end of the reporting period in the consolidated income statement.

(c) When preparing the consolidated cash flow statement, include the cash flows of the subsidiary or business from the acquisition date to the end of the reporting period in the consolidated cash flow statement.

② Disposal of subsidiaries or businesses

A. When preparing the consolidated balance sheet, do not adjust the opening balance of the consolidated balance sheet.

B. When preparing the consolidated income statement, include the income, expenses and profit of the subsidiary or business from the beginning of the period to the disposal date in the consolidated income statement.

C. When preparing the consolidated cash flow statement, include the cash flows of the

subsidiary or business from the beginning of the period to the disposal date in the consolidated cash flow statement.

(5) Special considerations in consolidation elimination

① If a subsidiary holds long-term equity investments in the Company, such investments shall be treated as treasury shares of the Company and presented as a reduction of owners' equity under the item "Less: Treasury shares" within owners' equity on the consolidated balance sheet.

Long-term equity investments held by subsidiaries in each other shall be eliminated following the method used for eliminating the Company's equity investments in subsidiaries, i.e., eliminating the long-term equity investments against the corresponding share of the owners' equity of the subsidiaries.

② Items such as "Special reserves" and "General risk reserve", which are neither part of paid-in capital (or share capital) or capital reserves, nor the same as retained earnings or undistributed profits, shall be restored based on the share attributable to the parent company after the long-term equity investments are eliminated against the owners' equity of the subsidiaries.

③ Where the elimination of unrealized profit or loss from internal sales results in temporary differences between the carrying value of assets and liabilities in the consolidated balance sheet and their tax bases in the respective tax entities, deferred tax assets or deferred tax liabilities are recognized in the consolidated balance sheet, and the income tax expense in the consolidated income statement is adjusted accordingly, except for deferred tax related to transactions or events directly recognized in owners' equity and business combinations.

④ The unrealized profit or loss from internal transactions arising from the sale of assets by the Company to its subsidiaries shall be fully eliminated against the "net profit attributable to owners of the parent company". The unrealized profit or loss from internal transactions arising from the sale of assets by a subsidiary to the Company shall be allocated and eliminated between "net profit attributable to owners of the parent company" and "minority equity" according to the Company's allocation ratio to that subsidiary. The unrealized profit or loss from internal transactions arising from the sale of assets between subsidiaries shall be allocated and eliminated between "net profit attributable to owners of the parent company" and "minority equity" according to the Company's allocation ratio to the selling subsidiary.

⑤ If the current period loss borne by the minority shareholders of a subsidiary exceeds their share in the opening balance of the subsidiary's owners' equity, the excess amount shall still be charged against the minority equity.

(6) Accounting treatment for special transactions

① Purchase of minority interest



When the Company purchases the equity of a subsidiary held by minority shareholders, in the separate financial statements, the investment cost of the newly acquired long-term equity investment through the purchase of the minority interest is measured at fair value of the consideration paid. In the consolidated financial statements, the difference between the newly acquired long-term equity investment through the purchase of minority interest and the share of the subsidiary's net assets calculated based on the increased shareholding ratio (measured on a continuous basis from the acquisition date or the combination date), shall be adjusted to capital reserve (capital premium or share premium). If the capital reserve is insufficient to be offset, the surplus reserve and undistributed profits shall be offset in turn.

② Obtaining control of a subsidiary through multiple transactions in a step-by-step manner

A. Business combination under common control achieved through multiple transactions in a step-by-step manner

On the combination date, the Company shall, in its separate financial statements, determine the initial investment cost of the long-term equity investment based on its share of the carrying value of the subsidiary's net assets in the consolidated financial statements of the ultimate controlling party after the combination; the difference between the initial investment cost and the sum of the carrying value of the long-term equity investment held before the combination and the carrying value of the newly paid consideration for the additional shares acquired on the combination date shall be adjusted against the capital reserve (capital premium or share premium). If the capital reserve (capital premium or share premium) is insufficient to be offset, the surplus reserve and undistributed profits shall be offset in turn.

In the consolidated financial statements, the assets and liabilities of the acquiree obtained by the acquirer in the business combination shall be measured at their carrying value in the consolidated financial statements of the ultimate controlling party on the combination date, except for adjustments made due to different accounting policies and accounting periods; the difference between the sum of the carrying value of the investment held before the combination and the carrying value of the newly paid consideration on the combination date, and the carrying value of the net assets obtained in the combination, shall be adjusted against the capital reserve (share premium/capital premium). If the capital reserve is insufficient to be offset, the retained earnings shall be adjusted.

For the equity investment held by the acquirer before obtaining control of the acquiree, any relevant profit or loss, other comprehensive income, and other changes in owners' equity recognized from the later of the date of acquiring the original equity and the date when the acquirer and the acquiree are under the common control of the same ultimate controlling party to the combination date shall be respectively offset against the opening retained earnings or the current profit or loss for

the comparative reporting period.

B. Business combination not under common control achieved through multiple transactions in a step-by-step manner

On the combination date, in the separate financial statements, the sum of the carrying value of the original long-term equity investment and the cost of new investment on the combination date shall be taken as the initial investment cost of the long-term equity investment on the combination date.

In the consolidated financial statements, the equity in the acquiree held before the acquisition date shall be remeasured at its fair value on the acquisition date. If the equity in the acquiree held before the acquisition date is designated as a financial asset measured at fair value through other comprehensive income, the difference between its fair value and its carrying value shall be included in retained earnings, and the cumulative changes in fair value of the equity previously included in other comprehensive income shall be transferred out to retained earnings; where the equity in the acquiree held before the acquisition date is accounted for as a financial asset measured at fair value through the current profit or loss, or a long-term equity investment accounted for using the equity method, the difference between its fair value and its carrying value shall be included in the current investment income; where the equity in the acquiree held before the acquisition date involves other comprehensive income under the equity method, and other changes in owners' equity under the equity method other than net profit or loss, other comprehensive income, and profit distribution, the related other comprehensive income shall be accounted for using the same basis as the investee's direct disposal of relevant assets or liabilities on the acquisition date, and the related other changes in owners' equity shall be transferred to the investment income for the period to which the acquisition date belongs.

③ Disposal of long-term equity investments in subsidiaries by the Company without loss of control

When a parent company disposes of a portion of its long-term equity investment in a subsidiary without loss of control, in the consolidated financial statements, the difference between the disposal proceeds and the corresponding share of the subsidiary's net assets attributable to the disposed long-term equity investment (calculated on a continuous basis from the acquisition date or the combination date) is adjusted to capital reserve (capital premium or share premium). If the capital reserve is insufficient to offset, retained earnings are adjusted.

④ Disposal of long-term equity investments in subsidiaries by the Company with loss of control

A. Disposal through a single transaction



When the Company loses control over an investee due to reasons such as the disposal of a portion of its equity investments, in the preparation of the consolidated financial statements, the remaining equity shall be remeasured at its fair value on the date of loss of control. The difference between the sum of the consideration received from the disposal of equity and the fair value of the remaining equity, minus the sum of the share of the original subsidiary's net assets (calculated on a continuous basis from the acquisition date or the combination date) attributable to the original shareholding percentage and goodwill, is recognized as investment income for the period of the loss of control.

Other comprehensive income related to equity investments in the original subsidiary is accounted for using the same basis as the direct disposal of related assets or liabilities by the original subsidiary upon loss of control. Other changes in owners' equity related to the original subsidiary under the equity method are transferred to current profit or loss upon loss of control.

B. Disposal through multiple transactions in a step-by-step manner

In the consolidated financial statements, it should first be assessed whether the step-by-step transactions constitute a "package transaction".

If the step-by-step transactions do not constitute a "package transaction", in the separate financial statements, for each transaction before the loss control of the subsidiary, the carrying value of the long-term equity investment corresponding to each disposal of equity shall be carried forward, and the difference between the proceeds received and the carrying value of the disposed long-term equity investment shall be recognized in the current investment income; in the consolidated financial statements, these transactions are accounted for in accordance with the relevant provisions of "disposal of long-term equity investments in subsidiaries by the parent company without loss of control".

If the step-by-step transactions constitute a "package transaction", each transaction should be accounted for as a single transaction that results in the disposal of a subsidiary and the loss of control; in the separate financial statements, the difference between the disposal proceeds and the carrying value of the long-term equity investment corresponding to the disposed equity for each disposal before the loss of control shall first be recognized as other comprehensive income, and then transferred in full to the profit or loss for the period upon loss of control; in the consolidated financial statements, for each transaction before loss of control, the difference between the disposal proceeds and the share of the subsidiary's net assets corresponding to the disposed investment shall be recognized as other comprehensive income, and transferred in full to the profit or loss for the period upon loss of control.

If the terms, conditions and economic effects of the transactions meet one or more of the following criteria, the multiple transactions are usually accounted for as a "package transaction":

- (a) The transactions are entered into simultaneously or in consideration of each other's effects.
- (b) The transactions as a whole achieve a complete business result.
- (c) The occurrence of one transaction depends on the occurrence of at least one other transaction.
- (d) One transaction is not economical when considered alone, but is economical when considered together with other transactions.

⑤ Dilution of the parent company's equity ratio due to a capital increase by the minority shareholders of the subsidiary

Other shareholders (minority shareholders) of a subsidiary make a capital increase to the subsidiary, thereby diluting the parent company's equity ratio in the subsidiary. In the consolidated financial statements, the difference between the share of the subsidiary's net assets attributable to the parent company before the capital increase calculated based on the parent company's equity ratio before the capital increase and the share of the subsidiary's net assets attributable to the parent company after the capital increase, calculated based on the parent company's shareholding ratio after the capital increase, shall be adjusted against capital reserve (capital premium or share premium). If the capital reserve (capital premium or share premium) is insufficient to be offset, the retained earnings shall be adjusted.

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

A joint arrangement is an arrangement of which two or more parties have joint control. The Company's joint arrangements are classified into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the Company has rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items in relation to its interest in a joint operation and accounts for them in accordance with the relevant provisions of the Accounting Standards for Business Enterprises:

- ① Recognize its separately held assets, and recognize its share of jointly held assets;
- ② Recognize its separately assumed liabilities, and recognize its share of jointly assumed liabilities;
- ③ Recognize revenue from the sale of its share of the output of the joint operation;
- ④ Recognize revenue from the sale of output by the joint operation according to its share;
- ⑤ Recognize its separately incurred expenses, and recognize expenses incurred by the joint operation according to its share.

(2) Joint ventures

A joint venture is a joint arrangement whereby the Company has rights to the net assets of the arrangement only.

The Company accounts for its investments in joint ventures in accordance with the provisions of the equity method for long-term equity investments.

9. Criteria for determining cash and cash equivalents

Cash refers to cash on hand held by the Company and deposits that are readily available for payment. Cash equivalents refer to investments that are held for a short period (generally due within three months from purchase date), are highly liquid, are easily convertible into known amounts of cash, and have little risk of changes in value.

10. Foreign currency transactions and translation of foreign currency financial statements

(1) Method for determining the exchange rate for translating foreign currency transactions

When initially recognizing a foreign currency transaction, the Company translates the foreign currency amount into its recording currency using the spot exchange rate on the date of the transaction or an exchange rate that approximates the spot exchange rate on the date of the transaction (hereinafter referred to as the approximate spot exchange rate) determined in a systematic and rational manner.

(2) Method for translating foreign currency monetary items on the balance sheet date

On the balance sheet date, foreign currency monetary items are translated using the spot exchange rate on the balance sheet date. Exchange differences arising from changes in the spot exchange rate between the balance sheet date and the initial recognition date or the previous balance sheet date are recognized in the current profit or loss. Foreign currency non-monetary items measured at historical cost are translated using the spot exchange rate on the date of the transaction; for inventories measured at the lower of cost and net realizable value, where the inventories are purchased in a foreign currency and their net realizable value at the balance sheet date is denominated in a foreign currency, the net realizable value is first translated into the recording currency using the spot exchange rate on the balance sheet date, and then compared with the inventory cost, which is reflected in the recording currency, to determine the ending value of the inventory; foreign currency non-monetary items measured at fair value are translated using the spot exchange rate on the date the fair value is determined. For financial assets measured at fair value through the current profit or loss, the difference between the translated recording currency amount and the original recording currency amount is recognized in the current profit or loss. For non-trading equity instrument investments designated to be measured at fair value through other comprehensive income, the difference between the translated recording currency amount and the original recording currency amount is recognized in other comprehensive income.

(3) Method for translating foreign currency financial statements

Before translating the financial statements of a foreign operation, the accounting period and accounting policies of the foreign operation are first adjusted to be consistent with those of the Company. Then, financial statements in the corresponding currency (a currency other than the recording currency) are prepared based on the adjusted accounting policies and accounting period. These financial statements are then translated using the following methods:

① Assets and liabilities in the balance sheet are translated using the spot exchange rate on the balance sheet date. Owners' equity items, other than "undistributed profits", are translated using the spot exchange rate at the time of their occurrence.

② Income and expense items in the income statement are translated using the spot exchange rate on the date of the transaction or an exchange rate that approximates the spot exchange rate.

③ Foreign currency cash flows and the cash flows of overseas subsidiaries are translated using the spot exchange rate on the date of the cash flow or at exchange rates that approximate the spot exchange rates. The effect of exchange rate changes on cash is presented as a reconciling item separately in the cash flow statement.

④ The resulting translation difference arising from the translation of foreign currency financial statements are presented under the "other comprehensive income" item within owners' equity in the consolidated balance sheet when preparing the consolidated financial statements.

Upon disposal of a foreign operation and loss of control, the translation differences of foreign currency financial statements related to that foreign operation, which are presented under owners' equity in the balance sheet, are reclassified to profit or loss for the period of disposal in full or in proportion to the disposal.

11. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Recognition and derecognition of financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when one of the following conditions is met:

- ① The contractual right to receive cash flows from the financial asset expires;
- ② The financial asset has been transferred and the transfer qualifies for derecognition under the conditions for derecognition of transfers of financial assets described below.

A financial liability (or a part thereof) is derecognized when the present obligation (or a part thereof) is extinguished. If the Company (the borrower) enters into an agreement with the lender to

replace the original financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the original financial liability, the Company derecognizes the original financial liability and simultaneously recognizes the new financial liability. If the Company makes substantial modifications to the contractual terms of the original financial liability (or a part thereof), it shall derecognize the original financial liability and recognize a new financial liability based on the modified terms.

For a regular way purchase or sale of financial assets, accounting recognition and derecognition are performed on the trade date. A regular way purchase or sale of financial assets refers to purchases or sales of financial assets that require delivery of the assets within the time frame generally established by regulation or market convention pursuant to the terms of the contract. The trade date is the date on which the Company commits to purchase or sell a financial asset.

(2) Classification and measurement of financial assets

Upon initial recognition, the Company classifies financial assets into the following categories based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets: financial assets measured at amortized cost; financial assets measured at fair value through the current profit or loss, and financial assets measured at fair value through other comprehensive income. Unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model, financial assets shall not be reclassified after initial recognition.

A financial asset is measured at fair value upon initial recognition. For financial assets measured at fair value through the current profit or loss, related transaction costs are directly recognized in the current profit or loss. For other categories of financial assets, related transaction costs are included in the initial recognition amount. For notes receivable and accounts receivable arising from the sale of goods or provision of services that do not contain or do not consider a significant financing component, the Company measures them initially at the transaction price as defined in the revenue standard.

Subsequent measurement of financial assets depends on their classification:

① Financial assets measured at amortized cost

A financial asset is classified as a financial asset measured at amortized cost if both of the following conditions are met: the Company's business model for managing the financial asset is to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are subsequently measured at amortized cost using the effective interest rate method. Gains or losses arising from their derecognition, amortization under the

effective interest rate method, or impairment are recognized in the current profit or loss.

② Financial assets measured at fair value through other comprehensive income

Financial assets that meet the following conditions simultaneously are classified as financial assets measured at fair value through the other comprehensive income: the Company's business model for managing such financial assets is to both collect contractual cash flows and sell financial assets; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are subsequently measured at fair value. Except for impairment losses or gains and foreign exchange gains and losses that are recognized in the current profit or loss, changes in fair value of such financial assets are recognized as other comprehensive income. When the financial assets are derecognized, the cumulative gains or losses are transferred to the current profit or loss. However, the relevant interest income from such financial assets calculated using the effective interest rate method is recognized in the current profit or loss.

The Company irrevocably chooses to designate some non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. Only the relevant dividends is recognized in the current profit or loss, and changes in fair value are recognized as other comprehensive income. When such financial assets are derecognized, the cumulative gains or losses are transferred to retained earnings.

③ Financial assets measured at fair value through the current profit or loss

Financial assets other than those measured at amortized cost and those measured at fair value through other comprehensive income mentioned above are classified as financial assets measured at fair value through the current profit or loss. Such financial assets are subsequently measured at fair value, and all changes in fair value are recognized in the current profit or loss.

(3) Classification and measurement of financial liabilities

The Company classifies financial liabilities as financial liabilities measured at fair value through the current profit or loss, loan commitments and financial guarantee contractual liabilities with below-market interest rates, and financial liabilities measured at amortized cost.

The subsequent measurement of financial liabilities depends on their classification:

① Financial liabilities measured at fair value through the current profit or loss

Such financial liabilities include financial liabilities held for trading (including derivative instruments belonging to the financial liabilities) and financial liabilities designated to be measured at fair value through the current profit or loss. After initial recognition, such financial liabilities are subsequently measured at fair value, and gains or losses arising therefrom (including interest expense) are recognized in the current profit or loss, except for those related to hedge accounting.

However, for financial liabilities designated by the Company as measured at fair value through the current profit or loss, changes in fair value of such financial liabilities arising from changes in the Company's own credit risks are recognized in other comprehensive income. When such financial liabilities are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings.

② Loan commitments and financial guarantee contractual liabilities

A loan commitment is a commitment by the Company to provide a loan to a customer under predetermined terms during a specified period. Loan commitments are measured for impairment losses using the expected credit loss model.

A financial guarantee contract is a contract that requires the Company to make specified payments to reimburse the holder for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contractual liabilities are subsequently measured at the higher of the amount of the provision for losses determined in accordance with the principles for impairment of financial instruments and the initial recognition amount less the cumulative amortization determined in accordance with the principles for revenue recognition.

③ Financial liabilities measured at amortized cost

After initial recognition, other financial liabilities are measured at amortized cost using the effective interest rate method.

Except for special circumstances, financial liabilities and equity instruments are distinguished according to the following principles:

① If the Company cannot avoid unconditionally fulfilling a contractual obligation to deliver cash or other financial assets, that contractual obligation meets the definition of a financial liability. Some financial instruments may not explicitly include terms and conditions requiring the delivery of cash or other financial assets, but may indirectly create a contractual obligation through other terms and conditions.

② If a financial instrument requires or may require settlement using the Company's own equity instruments, it is necessary to consider whether the Company's own equity instruments used for settlement are intended as a substitute for cash or other financial assets, or as a way for the holder to have a residual interest in the issuer's assets after deducting all liabilities. In the former case, the instrument is a financial liability of the issuer; in the latter case, the instrument is an equity instrument of the issuer. In some circumstances, a financial instrument contract provides that the Company must or may settle the financial instrument using its own equity instruments, where the amount of the contractual right or obligation equals the number of its own equity instruments to be

obtained or delivered multiplied by their fair value at settlement. In such cases, whether the amount of the contractual right or obligation is fixed or varies in whole or in part based on changes in variables other than the market price of the Company's own equity instruments (e.g., interest rates, the price of a certain commodity, or the price of a certain financial instrument), the contract is classified as a financial liability.

(4) Derivative financial instruments and embedded derivatives

Derivative financial instruments are initially measured at fair value on the date the derivative contract is entered into and are subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognized as assets, while those with a negative fair value are recognized as liabilities.

Except for the portion of cash flow hedges that is effective and recognized in other comprehensive income and reclassified to the current profit or loss when the hedged item affects profit or loss, gains or losses arising from changes in fair value of derivative instruments are recognized directly in the current profit or loss.

For a hybrid instrument that contains an embedded derivative, if the host contract is a financial asset, the hybrid contract as a whole is subject to the relevant provisions on the classification of financial assets. If the host contract is not a financial asset and the hybrid instrument is not accounted for as measured at fair value through the current profit or loss, and the embedded derivative is not closely related to the host contract in terms of economic characteristics and risks, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, then the embedded derivative is separated from the hybrid instrument and accounted for as a separate derivative financial instrument. If the fair value of the embedded derivative cannot be measured separately on the acquisition date or at a subsequent balance sheet date, the entire hybrid instrument is designated as a financial asset or financial liability measured at fair value through the current profit or loss.

(5) Impairment of financial instruments

The Company recognizes provision for losses on an expected credit loss basis for financial assets measured at amortized cost, debt investments measured at fair value through other comprehensive income, contractual assets, lease receivables, loan commitments and financial guarantee contracts.

① Measurement of expected credit losses

Expected credit losses are the weighted average of credit losses on a financial instrument, weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, i.e., the present value

of all cash shortfalls. For purchased or originated credit-impaired financial assets, the Company discounts them at the credit-adjusted effective interest rate of the financial asset.

Lifetime expected credit losses refer to the expected credit losses that result from all possible default events over the entire expected life of a financial instrument.

The 12-month expected credit loss refers to the expected credit loss caused by the financial instruments default events that may occur within 12 months after the balance sheet date (or the estimated duration if the estimated duration of the financial instruments is less than 12 months), and is a part of the lifetime expected credit loss.

On each balance sheet date, the Company measures expected credit losses for financial instruments in different stages separately. If the credit risk of a financial instrument has not increased significantly since initial recognition, it is in Stage 1, and the Company measures the provision for losses at an amount equal to the 12-month expected credit loss; if a financial instrument's credit risk has increased significantly since initial recognition but no credit impairment has occurred, it is in Stage 2, and the Company measures the provision for losses at an amount equal to lifetime expected credit losses; if a financial instrument is credit-impaired since initial recognition, it is in Stage 3, and the Company measures the provision for losses at an amount equal to lifetime expected credit losses.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that their credit risk has not increased significantly since initial recognition and measures the provision for losses at an amount equal to 12-month expected credit losses.

For financial instruments in Stage 1 and Stage 2, as well as those with low credit risk, the Company calculates interest income based on the book balance before deducting the impairment provisions and the effective interest rate. For financial instruments in Stage 3, the Company calculates interest income based on the amortized cost (i.e., the book balance less the impairment provisions) and the effective interest rate.

For notes receivable, accounts receivable, accounts receivable financing, and contractual assets, the Company measures the provision for losses at an amount equal to lifetime expected credit losses, regardless of whether there is a significant financing component.

A. Accounts receivable

For notes receivable, accounts receivable, other receivables, accounts receivable financing, and long-term receivables for which there is objective evidence of impairment and which are suitable for individual assessment, the Company performs separate impairment tests, recognizes expected credit losses, and make individual impairment provisions. For notes receivable, accounts receivable, other receivables, accounts receivable financing, and long-term receivables for which there is no objective evidence of impairment, or when information on expected credit losses cannot be assessed

at a reasonable cost for an individual financial asset, the Company classifies these items into several portfolios based on credit risk characteristics and calculates the expected credit losses on a portfolio basis. The basis for determining the portfolios is as follows:

The basis for determining the portfolios of notes receivable is as follows:

Notes receivable portfolio 1: Portfolio of companies within the scope of consolidation

Notes receivable portfolio 2: Commercial acceptance bills

Notes receivable portfolio 3: Bank acceptance bills

Notes receivable portfolio 4: Letters of credit

For notes receivable classified into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, by applying the default risk exposure and the lifetime expected credit loss rates.

The basis for determining the portfolios of accounts receivable is as follows:

Accounts receivable portfolio 1: Portfolio of companies within the scope of consolidation

Accounts receivable portfolio 2: Aging portfolio

Accounts receivable portfolio 3: Nature-based portfolio

The Company acquired Harmony Mingxin (Yiwu) Optoelectronics Technology Co., Ltd. and its overseas controlled subsidiary LEDVANCE GmbH (hereinafter referred to as "LEDVANCE") through a combination of issuing shares and paying cash. Due to differences in the nature and geographic location of customers between the Group's headquarters and LEDVANCE, their credit risk management approaches for accounts receivable differ. Therefore, based on their risk characteristics, these receivables are classified into two portfolios. For accounts receivable classified into the aging portfolio, the Company prepares a comparison table of the aging of accounts receivable and lifetime expected credit loss rates, and calculates expected credit losses, by reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions. For accounts receivable classified into the nature-based portfolio, the Company calculates the expected credit losses based on credit risk characteristics such as the customer's country, credit rating, and other customer-specific risks.

The basis for determining the portfolios of other receivables is as follows:

Other receivables portfolio 1: Portfolio of companies within the scope of consolidation

Other receivables portfolio 2: Interest receivable

Other receivables portfolio 3: Dividends receivable

Other receivables portfolio 4: Security deposits and guarantees receivable

Other receivables portfolio 5: Aging portfolio

Other receivables portfolio 6: Nature-based portfolio



For other receivables classified into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, by applying the default risk exposure and the 12-month or lifetime expected credit loss rates.

The basis for determining the portfolios of accounts receivable financing is as follows:
Accounts receivable financing portfolio 1: Commercial acceptance bills

Accounts receivable financing portfolio 2: Bank acceptance bills

For accounts receivable financing classified into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, by applying the default risk exposure and the lifetime expected credit loss rates.

B. Debt investments and other debt investments

For debt investments and other debt investments, the Company calculates the expected credit losses based on the nature of the investments and various types of counterparties and risk exposures, by applying the default risk exposure and the 12-month or lifetime expected credit loss rates.

② Have low credit risks

A financial instrument is considered to have low credit risk if its default risk is low, the borrower has a strong ability to meet its contractual cash flow obligations in the short term, and adverse changes in economic and business conditions over a longer period may not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations.

③ Significant increase in credit risks

The Company determines whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the probability of default over the expected life of the financial instrument determined at the balance sheet date with that determined at initial recognition, so as to assess the relative change in the probability of default over the expected life of the financial instrument.

When determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including forward-looking information. The information considered by the Company includes:

A. Whether internal price indicators resulting from changes in credit risk have changed significantly;

B. Whether there have been adverse changes in business, financial or economic conditions that are expected to result in a significant change in the debtor's ability to meet its debt obligations;



C. Whether actual or expected operating results of the debtor have changed significantly; whether the regulatory, economic or technological environment in which the debtor operates has changed significantly and adversely;

D. Whether the value of collateral for the debt or in the quality of guarantees or credit enhancements provided by third parties has changed significantly. These changes are expected to reduce the debtor's economic incentive to repay according to the contractual deadline or affect the probability of default;

E. Whether the economic incentive expected to reduce the debtor's ability to repay according to the contractual deadline has changed significantly;

F. Expected changes to the loan contract, including whether a potential breach of contract may result in the waiver or amendment of contractual obligations, the granting of an interest-free period, an interest rate step-up, a requirement for additional collateral or guarantees, or other changes to the contractual framework of the financial instrument;

G. Whether the debtor's expected performance and repayment behavior have changed significantly;

H. Whether contractual payments are overdue for 30 days or more (including 30 days).

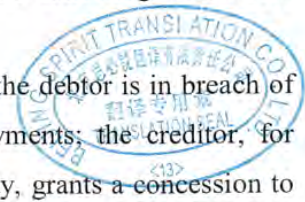
Depending on the nature of the financial instruments, the Company assesses whether the credit risk has increased significantly on an individual or a portfolio basis. When assessing on a portfolio basis, the Company may classify financial instruments based on shared credit risk characteristics, such as overdue information and credit risk ratings.

Generally, if a payment is overdue for more than 30 days, the Company determines that the credit risk of the financial instrument has increased significantly. Unless the Company can obtain reasonable and supportable information without undue cost or effort demonstrating that, despite the payment being more than 30 days past due, the credit risk has not increased significantly since initial recognition.

④ Credit-impaired financial assets

On each balance sheet date, the Company assesses whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A financial asset becomes a credit-impaired financial asset when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

The issuer or the debtor experiences significant financial difficulty; the debtor is in breach of contract, such as a default or delinquency in interest or principal payments; the creditor, for economic or contractual reasons relating to the debtor's financial difficulty, grants a concession to



the debtor that it would not otherwise consider; the debtor is likely to go bankrupt or undergo other financial restructuring; the active market of the financial assets disappears due to the financial difficulties of the issuer or the debtor; a financial asset is purchased or originated at a deep discount that reflects the incurred credit losses.

⑤ Presentation of allowance for expected credit losses

To reflect changes in the credit risk of a financial instrument since initial recognition, the Company remeasures the expected credit losses at each balance sheet date. The resulting increase or reversal of the provision for losses should be recognized as an impairment loss or gain in profit or loss for the current period. For financial assets measured at amortized cost, the provision for losses reduces the carrying value of the financial asset presented in the balance sheet; For debt investments measured at fair value through other comprehensive income, the Company recognizes the provision for losses in other comprehensive income and does not reduce the carrying value of the financial asset.

⑥ Write-off

If the Company no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, it directly writes down the book balance of the financial asset. Such a write-down constitutes a derecognition of the relevant financial asset. This situation usually occurs when the Company determines that the debtor has no assets or sources of income to generate sufficient cash flows to repay the amount subject to the write-down.

If a written-down financial asset is recovered subsequently, the recovered amount is recognized as a reversal of impairment loss and included in the profit or loss for the period of recovery.

(6) Transfer of financial assets

The transfer of a financial asset refers to the following two situations:

A. The contractual rights to receive the cash flows from the financial asset are transferred to another party;

B. The financial asset is transferred in its entirety or in part to another party, but the contractual rights to receive the cash flows from the financial asset are retained, and a contractual obligation to pay the collected cash flows to one or more recipients is assumed.

① Derecognition of the transferred financial asset

The Company derecognizes a financial asset if it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee, or if it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but has relinquished control of the financial asset.



In determining whether control over the transferred financial asset has been relinquished, the Company considers the transferee's practical ability to sell the financial asset. If the transferee has the practical ability to sell the transferred financial asset in its entirety to an unrelated third party without any additional conditions restricting such sale, the Company has relinquished control of the financial asset.

When determining whether the transfer of a financial asset satisfies the conditions for derecognition, the Company focuses on the substance of the transfer.

If the transfer of a financial asset in its entirety satisfies the conditions for derecognition, the difference between the following two amounts is recognized in profit or loss for the current period:

A. The carrying value of the transferred financial asset;

B. The sum of the consideration received from the transfer and the portion of the cumulative changes in fair value originally recognized directly in other comprehensive income that corresponds to the derecognized part (in the case where the transferred financial asset is classified as a financial asset measured at fair value through other comprehensive income in accordance with Article 18 of Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments).

If a partial transfer of a financial asset satisfies the conditions for derecognition, the carrying value of the entire transferred financial asset is allocated between the derecognized portion and the continuing involvement portion (in such circumstances, any retained servicing assets are treated as part of the continuing recognition of the financial asset) based on their relative fair values on the date of transfer, and the difference between the following two amounts is recognized in profit or loss for the current period:

A. The carrying value of the derecognized portion on the date of derecognition;

B. The sum of the consideration for the derecognized portion and the portion of the cumulative changes in fair value originally recognized in other comprehensive income that corresponds to the derecognized part (in the case where the transferred financial asset is classified as a financial asset measured at fair value through other comprehensive income in accordance with Article 18 of Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments).

② Continuing involvement in transferred financial assets

If the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, and has not relinquished control over the financial asset, it shall recognize the relevant financial asset to the extent of its continuing involvement in the transferred financial asset and recognize the associated liability accordingly.

The extent of continuing involvement in a transferred financial asset is the extent to which the

Company remains exposed to the risks or rewards of changes in the value of the transferred financial asset.

③ Continuing recognition of transferred financial assets

If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, it shall continue to recognize the entire transferred financial asset and recognize the consideration received as a financial liability.

The financial asset and the associated financial liability recognized shall not be offset against each other. In subsequent accounting periods, the Company shall continue to recognize the income (or gains) generated from the financial asset and expenses (or losses) arising from the financial liability.

(7) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset against each other. However, they are presented at the net amount after offsetting in the balance sheet if all of the following conditions are met:

the Company has a legally enforceable right to offset the recognized amounts, and such legal right is currently enforceable;

the Company plans to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the transferor shall not offset the transferred financial asset with the related liability.

(8) Methods for determining the fair value of financial instruments

For the methods for determining the fair value of financial assets and financial liabilities, see Note III.12.

12. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the fair value of the relevant asset or liability based on the price in the principal market. If no principal market exists, the Company measures the fair value of the relevant asset or liability using the price in the most advantageous market. The Company uses the assumptions that market participants would use when pricing the asset or liability to maximize their economic benefits.

The principal market is the market with the greatest volume and highest level of activity for the relevant asset or liability; the most advantageous market refers to the market in which the relevant asset could be sold at the highest price or the relevant liability could be transferred at the lowest price, after taking into account transaction costs and transport costs.

For a financial asset or financial liability for which an active market exists, the Company determines its fair value using the quoted price in the active market. If an active market does not exist for a financial instrument, the Company uses valuation techniques to determine its fair value.

When measuring the fair value of a non-financial asset, the Company takes into account the ability of market participants to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant who would use it in its highest and best use.

① Valuation techniques

The Company adopts valuation techniques that are applicable in the current circumstances and are supported by sufficient available data and other information. The valuation techniques used mainly include the market approach, the income approach, and the cost approach. The Company measures fair value using methods consistent with one or more valuation techniques. When multiple valuation techniques are used to measure fair value, the Company considers the rationality of the results of each valuation technique and selects the amount that best represents fair value under current circumstances as the fair value.

When applying valuation techniques, the Company prioritizes the use of relevant observable inputs and only uses unobservable inputs when relevant observable inputs are not available or it is not feasible to obtain them. Observable inputs are inputs that can be obtained from market data.



Such inputs reflect the assumptions that market participants would use when pricing the relevant asset or liability. Unobservable inputs are inputs for which market data are not available. Such inputs are determined using the best available information about the assumptions that market participants would use when pricing the relevant asset or liability.

② Fair value hierarchy

The Company classifies the inputs used in fair value measurement into three levels. It prioritizes the use of Level 1 inputs, followed by Level 2 inputs, and lastly Level 3 inputs. Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date. Level 2 inputs are inputs other than Level 1 inputs and are observable for the assets or liabilities, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

12. Notes receivable

13. Accounts receivable

14. Accounts receivable financing

15. Other receivables

16. Contractual assets

1. Contractual assets and contractual liabilities

The Company presents contractual assets or contractual liabilities in the balance sheet based on the relationship between its performance of obligations and the customer's payment. The Company's right to consideration for goods transferred or services provided to customers (where such right is conditional on factors other than the passage of time) is presented as contractual assets. The Company's obligation to transfer goods or provide services to customers for consideration received or receivable from customers is presented as contractual liabilities.



For the determination method and accounting treatment method of expected credit losses on contractual assets of the Company, see Note III.11.

Contractual assets and contractual liabilities are presented separately in the balance sheet. Contractual assets and contractual liabilities under the same contract are presented on a net basis. If the net amount is a debit balance, it is presented under "Contractual assets" or "Other non-current assets" depending on its liquidity; if the net amount is a credit balance, it is presented under "Contractual liabilities" or "Other non-current liabilities" depending on its liquidity. Contractual assets and contractual liabilities under different contracts cannot be offset against each other.

17. Inventories

(1) Classification of inventories

Inventories refer to finished products or merchandise held for sale in the Company's ordinary activities, work-in-progress in the production process, and materials and supplies consumed in the production process or in the rendering of services, including raw materials, work-in-progress, semi-finished products, finished products, merchandise inventories, and revolving materials.

(2) Pricing method of inventories dispatched

The inventories of the Company are measured at weighted average method when dispatched.

(3) Inventory system

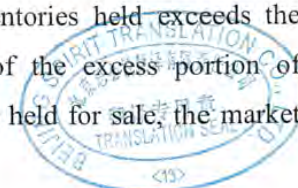
The Company adopts the perpetual inventory system for its inventories, which are physically counted at least once a year. The amounts of inventory surplus and deficit are recognized in profit or loss for the current year.

(4) Recognition criteria and accrual method for inventory impairment provision

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventories is higher than their net realizable value, an inventory impairment provision is made and recognized in the profit or loss for the current period.

When determining the net realizable value of inventories, the Company bases its determination on reliable evidence available and considers factors such as the purpose for which the inventories are held and the impact of events after the balance sheet date.

① For inventories held for direct sale, such as finished products, merchandise, and materials for sale, their net realizable value is determined by the estimated selling price less the estimated sales expenses and related taxes in the normal course of production and operation. For inventories held for the purpose of fulfilling a sales contract or service contract, the contract price is used as the basis for measuring their net realizable value; if the quantity of inventories held exceeds the quantity ordered under the sales contract, the net realizable value of the excess portion of inventories is measured based on the general selling price. For materials held for sale, the market price is used as the basis for measuring their net realizable value.



② For material inventories that require processing, their net realizable value is determined by the estimated selling price of the finished products produced less the estimated costs to completion, estimated sales expenses, and related taxes in the normal course of production and operation. If the net realizable value of the finished products manufactured using them is higher than their cost, the materials are measured at cost; if the decline in the price of materials indicates that the net realizable value of the finished products is lower than their cost, the materials are measured at their net realizable value, and an inventory impairment provision is made for the difference.

③ The Company generally makes inventory impairment provisions on an individual inventory item basis; for inventories that are large in quantity and low in unit price, provisions are made by inventory category.

④ If, on the balance sheet date, the factors that previously caused the write-down of inventory value have disappeared, the amount of the write-down is restored and reversed within the amount of the inventory impairment provision previously made, and the reversed amount is recognized in profit or loss for the current period.

(5) Amortization method for revolving materials

① Amortization method for low-value consumables: The one-time write-off method is adopted when they are issued for use.

② Amortization method for packaging materials: The one-time write-off method is adopted when they are issued for use.

18. Assets held for sale

19. Debt investments

20. Other debt investments

21. Long-term receivables



22. Long-term equity investments

The Company's long-term equity investments include equity investments in which the Company has control or significant influence over the investee, as well as equity investments in joint ventures. An investee over which the Company can exercise significant influence is an associate of the Company.

(1) Basis for determining joint control and significant influence over an investee

Joint control refers to the contractually agreed sharing of control over an arrangement, and decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing right of control. When assessing whether joint control exists, the Company first determines whether all the parties or a group of parties collectively control the arrangement. If all parties or a group of parties must act together to make decisions about the relevant activities of the arrangement, then such parties or group of parties are considered to have collective control over the arrangement. Secondly, it assesses whether decisions regarding the relevant activities of the arrangement require the unanimous consent of the parties that collectively control the arrangement. If there are two or more groups of parties that can collectively control an arrangement, joint control does not exist. Protective rights are not taken into consideration when determining the existence of joint control.

Significant influence refers to the power of an investor to participate in the financial and operating policy decisions of an investee, but not to control or jointly control the formulation of those policies with other parties. When determining whether significant influence can be exerted over an investee, the Company considers the impact of the voting rights directly or indirectly held by the investor in the investee and the impact of currently exercisable potential voting rights held by the investor and other parties after their assumed conversion into equity in the investee, including the impact of currently convertible warrants, share options, and convertible corporate bonds issued by the investee.

When the Company holds, directly or indirectly through its subsidiaries, 20% or more but less than 50% of the voting shares of an investee, it is generally considered to have significant influence over the investee, unless there is clear evidence indicating that the Company is unable to participate in the production and operating decisions of the investee and thus does not have significant influence.

(2) Determination of initial investment cost

- ① For long-term equity investments formed through business combinations, the investment cost is determined in accordance with the following provisions:
 - A. For a business combination under common control, if the acquirer pays cash, transfers non-



cash assets, or assumes liabilities as consideration for the combination, the initial investment cost of the long-term equity investment is the share of the carrying value of the acquiree's owners' equity in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the initial investment cost of the long-term equity investment and the carrying value of the cash paid, non-cash assets transferred, and liabilities assumed is adjusted against capital reserve; if the capital reserve is insufficient to offset the difference, retained earnings shall be adjusted;

B. For a business combination under common control, if the acquirer issues equity securities as consideration for the combination, the initial investment cost of the long-term equity investment is the share of the carrying value of the acquiree's owners' equity in the consolidated financial statements of the ultimate controlling party on the combination date. The total par value of the shares issued is treated as share capital, and the difference between the initial investment cost of the long-term equity investment and the total par value of the shares issued is adjusted against capital reserve; if the capital reserve is insufficient to offset the difference, retained earnings shall be adjusted;

C. For a business combination not under common control, the combination cost is determined as the fair value of the assets given, liabilities incurred or assumed, and equity securities issued to obtain control over the acquiree on the acquisition date. This combination cost serves as the initial investment cost of the long-term equity investment. Intermediary fees such as audit, legal services, and valuation and consulting fees, as well as other related G&A expenses incurred by the acquirer for the business combination, are recognized in profit or loss for the current period when they are incurred.

- ② For long-term equity investments obtained through means other than business combinations, the investment cost is determined in accordance with the following provisions:

A. For a long-term equity investment acquired by cash payment, the investment cost is the actual purchase price paid. The initial investment cost includes expenses, taxes, and other necessary expenditures directly related to the acquisition of the long-term equity investment;

B. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued;

C. For a long-term equity investment acquired through an exchange of non-monetary assets, if the exchange has commercial substance and the fair value of the asset received or the asset surrendered can be measured reliably, the initial investment cost is the fair value of the asset surrendered and related taxes and fees, and the difference between the fair value and the carrying value of the asset surrendered is recognized in profit or loss for the current period; if the non-monetary exchange does not simultaneously meet the above two conditions, the carrying value of

the asset surrendered plus relevant taxes and fees is used as the initial investment cost.

D. For a long-term equity investment acquired through debt restructuring, its carrying value is determined based on the fair value of the relinquished claim and other costs such as taxes and fees directly attributable to the asset, and the difference between the fair value and the carrying value of the relinquished claim is recognized in profit or loss for the current period.

(2) Subsequent measurement and profit or loss recognition methods

The Company's long-term equity investments over which it can exercise control over the investee are accounted for using the cost method; long-term equity investments in associates and joint ventures are accounted for using the equity method.

① Cost method

For long-term equity investments accounted for using the cost method, the cost of the long-term equity investment is adjusted when additional investments are made or when investments are recovered; the cash dividends or profits declared for distribution by the investee are recognized as investment income for the current period.

② Equity method

For long-term equity investments accounted for using the equity method, the general accounting treatment is as follows:

If the investment cost of the Company's long-term equity investment is greater than its share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; if the initial investment cost of the long-term equity investment is less than the share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognized in the current profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

The Company recognizes investment income and other comprehensive income based on its share of the net profit or loss and other comprehensive income realized by the investee, and simultaneously adjusts the carrying value of the long-term equity investment; the Company calculates its entitled share based on the profits or cash dividends declared for distribution by the investee, and reduces the carrying value of the long-term equity investment accordingly; for other changes in the investee's owners' equity other than net profit or loss, other comprehensive income, and profit distribution, the Company adjusts the carrying value of the long-term equity investment and records such adjustments in owners' equity. When recognizing its share of the net profit or loss of the investee, the Company makes adjustments to the investee's net profit based on the fair value of the investee's identifiable net assets at the time of acquisition, and then recognizes its share accordingly. If the accounting policies and accounting period adopted by the investee are inconsistent with those of the Company, the investee's financial statements shall be adjusted in

accordance with the Company's accounting policies and accounting period, and investment income and other comprehensive income shall be recognized on that basis. Unrealized internal transaction profits or losses arising between the Company and its associates and joint ventures are eliminated to the extent of the Company's attributable interest, and the investment profits or losses are recognized on that basis. Where unrealized internal transaction losses between the Company and its investees are attributable to asset impairment losses, such losses shall be recognized in full.

If, as a result of additional investment or other reasons, the Company is able to exercise significant influence or joint control over the investee without obtaining control, the initial investment cost for the subsequent accounting under the equity method is determined as the sum of the fair value of the originally held equity investment and the cost of the additional investment. Where the originally held equity investment is classified as an investment in other equity instruments, the difference between its fair value and carrying value, and the cumulative gains or losses originally included in other comprehensive income shall be transferred out of other comprehensive income and included in retained earnings in the current period when the equity method is adopted.

If joint control or significant influence over an investee is lost due to the disposal of a portion of equity investments or other reasons, the remaining equity after the disposal is subsequently measured at fair value. The difference between the fair value and the carrying value on the date of loss of joint control or significant influence is recognized in profit or loss for the current period. Other comprehensive income previously recognized for the original equity investment due to the adoption of the equity method shall be accounted for on the same basis as the investee's direct disposal of related assets or liabilities when the equity method is discontinued.

(3) Impairment testing method and method for providing impairment provisions

For the method of making provisions for asset impairment for investments in subsidiaries, associates and joint ventures, see Note III.21.

23. Investment properties

Measurement model for investment properties

Not applicable

24. Fixed assets

(1) Recognition conditions

Fixed assets are recognized at their actual cost at the time of acquisition when the following conditions are met simultaneously:

- ① It is probable that the economic benefits related to the fixed assets will flow to the Company.
- ② The cost of the fixed assets can be measured reliably.

Subsequent expenditures on fixed assets are included in the cost of fixed assets if they meet the recognition criteria for fixed assets; those that do not meet the recognition criteria for fixed assets are recognized in profit or loss for the current period.



when they are incurred.

(2) Depreciation method

Category	Depreciation method	Depreciation life	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	20 years	1.00%-5.00%	4.75%-4.95%
Machinery and equipment	Straight-line method	5-10 years	1.00%-5.00%	9.50%-19.80%
Transportation equipment	Straight-line method	4-5 years	1.00%-5.00%	19.00%-24.75%
Office equipment and others	Straight-line method	3-5 years	1.00%-5.00%	19.00%-33.00%

For fixed assets for which an impairment provision has been made, the provision for impairment of fixed assets already made is deducted when calculating depreciation.

At the end of each year, the Company reviews the service life, estimated net residual values, and depreciation methods of its fixed assets. If the estimated service life is different from the previous estimate, the service life of the fixed asset is adjusted.

25. Construction in progress

- (1) Construction in progress is accounted for on a project basis.
- (2) Criteria and timing for transferring construction in progress to fixed assets

Construction in progress projects are recorded at the value of fixed assets based on all expenditures incurred before the asset reaches its intended usable state. Such expenditures include construction costs, the original price of machinery and equipment, other necessary expenditures incurred to bring the construction in progress to its intended usable state, and borrowing costs incurred on specific borrowings for the project and borrowing costs incurred on general borrowings utilized before the asset reaches its intended usable state. The Company transfers construction in progress to fixed assets when the installation or construction is completed and reaches the intended usable condition. For fixed assets that have reached their intended usable state but for which the final completion accounts have not yet been settled, they are transferred to fixed assets at an estimated value based on the project budget, cost, or actual construction cost from the date they reach the intended usable state. Depreciation is provided for these fixed assets in accordance with the Company's fixed asset depreciation policy. After the final completion accounts are settled, the original provisional value is adjusted based on the actual cost, but the previously provided depreciation amount is not adjusted.

26. Borrowing costs

(1) Recognition principles for capitalization of borrowing costs and the capitalization period

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized and included in the cost of the relevant asset when the following conditions are met simultaneously:

- ① Expenditures for the asset have been incurred;



② Borrowing costs have been incurred;

③ The acquisition, construction, or production activities necessary to bring the asset to its intended usable state have already commenced. Other borrowing interest, discounts or premiums, and exchange differences are recognized in profit or loss for the period in which they are incurred.

If an abnormal interruption occurs during the acquisition, construction, or production of a qualifying asset and the interruption period lasts for more than 3 consecutive months, the capitalization of borrowing costs is suspended.

When an asset that qualifies for capitalization is acquired, constructed, or produced and reaches its intended usable or sellable state, the capitalization of its borrowing costs ceases; subsequent borrowing costs are recognized as expenses in the period in which they are incurred.

(2) Calculation method of capitalization rate and capitalization amount of borrowing costs

For specific borrowings obtained for the acquisition, construction, or production of a qualifying asset, the amount of interest expense to be capitalized is determined by the actual interest expense incurred on the specific borrowings for the current period, less any interest income earned on the bank deposits of the unused borrowing funds or any investment income earned from the temporary investment of such funds.

Where general borrowings are used for the acquisition, construction, or production of a qualifying asset, the amount of interest on general borrowings to be capitalized is calculated by multiplying the weighted average of asset expenditures in excess of the specific borrowings by the capitalization rate of the general borrowings used. The capitalization rate is calculated and determined based on the weighted average interest rate of the general borrowings.

27. Biological assets

28. Oil and gas assets

29. Intangible assets

(1) Service life and its determination basis, estimation, amortization method, or review procedures



1) Valuation method of intangible assets

Recorded at actual cost at the time of acquisition.

2) Service life and amortization of intangible assets

① Estimated service life of intangible assets with finite service life:

Item	Estimated service life	Basis
Land use rights	50 years	Statutory right of use
Trademarks and patents	3-16 years	The service life is determined with reference to the period during which economic benefits can be brought to the Company
Customer relationships	15 years	The service life is determined with reference to the period during which economic benefits can be brought to the Company
Software and website development	3-16 years	The service life is determined with reference to the period during which economic benefits can be brought to the Company

At the end of each year, the Company reviews the service life and amortization methods of intangible assets with finite service life. Upon review, the service life and amortization methods of intangible assets at the end of the current period are not different from previous estimates.

② If the period over which an intangible asset is expected to generate economic benefits for the Company cannot be foreseen, the intangible asset is regarded as having an indefinite service life. For intangible assets with indefinite service life, the Company reviews their service life at the end of each year. If the service life is still determined to be indefinite after the review, an impairment test is conducted on the balance sheet date.

③ Amortization of intangible assets

For intangible assets with finite service life, the Company determines their service life upon acquisition and amortizes them systematically and rationally using the straight-line method over their service life. The amortization amount is recognized in profit or loss for the current period or included in the cost of relevant assets based on the benefiting items. The specific amount to be amortized is its cost less the estimated residual value. For intangible assets for which impairment provisions have been made, the accumulated amount of impairment provisions for intangible assets should also be deducted. The residual value of an intangible asset with a finite service life is considered to be zero, except in the following circumstances: there is a commitment from a third party to purchase the intangible asset at the end of its service life, or the expected residual value can be determined by reference to an active market and it is probable that such a market will exist at the end of the asset's service life.

Intangible assets with indefinite service life are not amortized. The service life of an intangible asset with an indefinite service life is reviewed at each year-end. If there is evidence indicating that the service life of the intangible asset is finite, its service life shall be estimated and amortized

systematically and rationally over its estimated service life.

(2) Scope of R&D expenditure and related accounting treatment methods

(3) Specific criteria for dividing internal R&D projects into research and development phases

① The Company treats the preparatory activities for materials and related aspects for further development activities as the research phase, and the expenditure at the research phase of an intangible asset is recognized in profit or loss for the current period when it is incurred.

② Development activities carried out after the Company has completed the work in the research phase are treated as the development phase.

(4) Specific conditions for capitalization of expenditures at the development phase

Expenditures incurred during the development phase can be recognized as an intangible asset only when all of the following conditions are met simultaneously:

A. The technical feasibility of completing the intangible asset so that it will be available for use or sale; B. The intention to complete the intangible asset and to use or sell it;

B. The way in which the intangible asset generates economic benefits, including demonstrating that there is a market for the products produced using the intangible asset or for the intangible asset itself; if the intangible asset is to be used internally, its usefulness can be demonstrated;

C. The availability of adequate technical, financial and other resources to support the completion of the development of the intangible asset, and the ability to use or sell the intangible asset;

D. The expenditures attributable to the development phase of the intangible asset can be measured reliably.

30. Impairment of long-term assets

Asset impairment for long-term equity investments in subsidiaries, associates and joint ventures, fixed assets, construction in progress, right-of-use assets, intangible assets, goodwill, etc. (excluding inventories, investment properties measured at fair value, deferred tax assets, and financial assets) is determined as follows:

If the impairment test result indicates that the recoverable amount of an asset is lower than its carrying value, an impairment provision shall be made for the difference and recognized as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the estimated future cash flows of the asset. The fair value of an asset is determined based on the price in a sales agreement in an arm's length transaction; if no sales agreement exists but there is an active market for the asset, the fair value is determined by the bid price from a buyer of the asset; if neither a sales agreement nor an active market for the asset exists, the fair value of the asset is estimated based on the best available information. Costs of disposal

include legal fees, relevant taxes, and transport costs related to the disposal of the asset, as well as direct costs incurred to bring the asset to a saleable condition. The present value of the estimated future cash flows of an asset is determined by discounting the estimated future cash flows generated from the asset's continuous use and ultimate disposal at an appropriate discount rate. Asset impairment provisions are calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest combination of assets that can generate cash inflows independently.

For goodwill that is separately presented in the financial statements, when performing an impairment test, the carrying value of goodwill is allocated to the asset group or portfolio of asset groups that are expected to benefit from the synergies of the business combination. If the test results show that the recoverable amount of the asset group or portfolio of asset groups, including the allocated goodwill, is lower than its carrying value, a corresponding impairment loss is recognized. The amount of impairment loss is first used to write down the carrying value of goodwill allocated to the asset group or portfolio of asset groups, and then the carrying values of the other assets in the asset group or portfolio of asset groups, other than goodwill, are written down in proportion to their respective shares of the total carrying value.

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

31. Long-term deferred expenses

Long-term deferred expenses refer to all expenses with a amortization period of more than one year that have occurred but should be borne by the reporting period and subsequent periods. The Company's long-term deferred expenses mainly include house renovation costs. Long-term deferred expenses are amortized over their estimated benefit period.

32. Contractual liabilities

33、 Employee compensation

(1) Accounting treatment for short-term compensation

① Basic employee compensation (wages, bonuses, allowances, and subsidies)

During the accounting period in which an employee has rendered services, the Company recognizes the actual short-term compensation incurred as a liability and includes it in the profit or loss for the current period, unless other accounting standards require or permit it to be included in the cost of assets.

② Employee benefits

Employee benefits incurred by the Company are recognized in the profit or loss for the current period or the cost of relevant assets based on the actual amount incurred. If employee benefits are non-monetary benefits, they are measured at fair value.

③ Social insurance premiums, including medical insurance, work-related injury insurance and maternity insurance, housing provident fund, trade union funds, and employee education funds

For the medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums and other social insurance premiums and housing provident funds paid by the Company for employees, as well as trade union expenditures and employee education funds withdrawn in accordance with regulations, during the accounting period when employees provide services, the corresponding amount of employee compensation is calculated and determined according to the prescribed provision basis and provision ratio, and the corresponding liabilities are recognized and included in the current profit or loss or the asset-related costs.

④ Short-term compensated absences

When employees render services that increase their entitlement to future paid absences, the Company recognizes employee compensation related to accumulating paid absences, measured at the expected additional amount payable as a result of the accumulated unused entitlement. The Company recognizes employee compensation related to non-accumulating paid absences in the accounting period in which the absences actually occur.

⑤ Short-term profit-sharing plans

The Company recognizes the related employee compensation payable under profit-sharing plans when the following conditions are met simultaneously:

A. The Company has a present legal or constructive obligation to pay employee compensation as a result of past events;

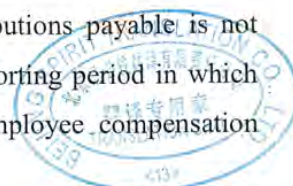
B. The amount of the obligation for employee compensation payable arising from the profit-sharing plan can be reliably estimated.

(2) Accounting treatment for post-employment benefits

① Defined contribution plans

For the accounting period in which an employee has rendered services, the Company recognizes the contribution payable calculated under the defined contribution plan as a liability, and includes it in the profit or loss for the period or in the cost of a relevant asset.

Under the defined contribution plans, if the entire amount of contributions payable is not expected to be settled within twelve months after the end of the annual reporting period in which the employees render the related services, the Company measures the employee compensation



payable at the discounted amount of the total contributions payable, using an appropriate discount rate (determined based on the market yield of government bonds or high-quality corporate bonds in an active market that have terms and currencies matching those of the defined contribution plan obligations as at the balance sheet date).

② Defined benefit plans

A. Recognition of the present value of defined benefit plan obligations and the current service cost

Using the projected unit credit method, the Company estimates relevant demographic and financial variables based on unbiased and mutually compatible actuarial assumptions to measure the obligations arising from the defined benefit plan and determine the periods to which the relevant obligations are attributed. The Company discounts the obligations arising from the defined benefit plan using an appropriate discount rate (determined based on the market yield of government bonds or high-quality corporate bonds in an active market that have terms and currencies matching those of the defined benefit plan obligations as at the balance sheet date) to determine the present value of the defined benefit plan obligations and the current service cost.

B. Recognition of net liabilities/net assets under defined benefit plans

If a defined benefit plan has assets, the Company recognizes the deficit or surplus arising from the present value of obligations under the defined benefit plans less the fair value of assets under the defined benefit plans as net liabilities or net assets under defined benefit plans.

If there is a surplus in defined benefit plans, the Company shall measure the net assets of defined benefit plans at the net assets of the surplus of the defined benefit plans and the asset upper limit.

C. Recognition of the amount to be recognized in the cost of assets or in profit or loss for the current period

Service costs, including current service cost, past service cost and settlement gains or losses. Among them, other service costs are recognized in profit or loss for the current period, except for current service costs that are required or permitted by other accounting standards to be included in the cost of assets.

The net interest of net liabilities or net assets under defined benefit plans, including interest income on plan assets, interest expense on defined benefit plan obligations, and interest on the effect of the asset ceiling, is recognized in profit or loss for the current period.

D. Recognition of the amount to be included in other comprehensive income

Changes arising from the re-measurement of net liabilities or net assets under defined benefit plans include:

(a) Actuarial gains or losses, which are increases or decreases in the present value of the

previously measured defined benefit plan obligations resulting from actuarial assumptions and experience adjustments;

(b) Return on plan assets, net of amounts included in the net interest of net liabilities or net assets under defined benefit plans;

(c) Changes affected by asset caps, net of amounts included in the net interest of net liabilities or net assets under defined benefit plans

The changes arising from the re-measurement of net liabilities or net assets under defined benefit plans are included in the other comprehensive income, and will not be reversed to the profit or loss in the subsequent accounting periods. When the original defined benefit plans terminates, the Company will fully carry forward the part originally included in the other comprehensive income to the undistributed profits to the extent of equity.

(3) Accounting treatment for dismissal welfare

When the Company provides dismissal benefits to employees, it recognizes a liability for employee compensation arising from dismissal benefits and includes it in the current profit or loss on the earlier of the following dates:

① When the enterprise cannot unilaterally withdraw the dismissal benefits offered in a plan to terminate employment or in a redundancy proposal;

② When the enterprise recognizes costs or expenses associated with a restructuring that involves the payment of dismissal benefits.

If dismissal benefits are not expected to be paid in full within twelve months after the end of the annual reporting period, the amount of dismissal benefits shall be discounted to its present value and measured as employee compensation payable, using a corresponding discount rate (determined based on the market yield of treasury bonds or high-quality corporate bonds in an active market that matches the term and currency of the defined benefit plan obligations at the balance sheet date).

(4) Accounting treatment for other long-term employee benefits

① Those that meet the conditions for defined contribution plans

For other long-term employee benefits provided by the Company to its employees, if the conditions for a defined contribution plan are met, the total amount to be contributed shall be measured as employee compensation payable at its discounted value.

② Those that meet the conditions for defined benefit plans

At the end of the reporting period, the Company recognizes the employee benefit costs arising from other long-term employee benefits as the following components:

A. Service cost;

B. Net interest on net liabilities or net assets of other long-term employee benefits;

C. Changes arising from the re-measurement of the net liabilities or net assets of other long-



term employee benefits.

To simplify the related accounting treatment, the total net amount of the above items is included in profit or loss for the current period or the cost of the relevant asset.

34. Estimated liabilities

(1) Recognition criteria for estimated liabilities

The Company recognizes an obligation related to a contingency as an estimated liability if the following conditions are met simultaneously:

- ① The obligation is the current obligation assumed by the Company;
- ② The performance of this obligation is very likely to cause an outflow of economic benefits from the Company;
- ③ The amount of the obligation can be measured reliably.

(2) Measurement methods for estimated liabilities

Estimated liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation, and comprehensively consider factors such as risks, uncertainties, and the time value of money related to the contingency. The carrying value of estimated liabilities is reviewed at each balance sheet date. If there is conclusive evidence that the carrying value does not reflect the current best estimate, the carrying value shall be adjusted to the current best estimate.

35. Share-based payments

36. Preferred shares, perpetual bonds and other financial instruments

37. Revenue

Accounting policies adopted for revenue recognition and measurement disclosed by business type

(1) General principles

Revenue is total inflow of economic benefit that is formed in the Company's daily activities, leads to increase in the shareholders' equity, and is irrelevant to the capital contributed by shareholders.

The Company recognizes revenue when it has satisfied a performance obligation in the contract, which is when the customer obtains right of control of the related goods. Obtaining right of control of relevant goods means being able to direct the use of the goods and obtain almost all economic benefits from them.

If a contract includes two or more performance obligations, at the inception of the contract, the Company allocates the transaction price to each separate performance obligation based on the

relative proportion of the standalone selling prices of the goods or services promised for each performance obligation, and measures revenue based on the transaction price allocated to each separate performance obligation.

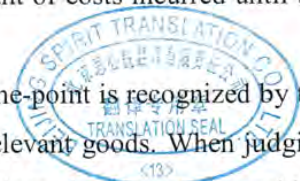
The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. When determining the transaction price of a contract, if variable consideration exists, the Company determines the best estimate of the variable consideration using the expected value or the most likely amount, and includes it in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the related uncertainty is resolved. If a contract contains a significant financing component, the Company determines the transaction price based on the amount payable in cash if the customer were to pay for the goods upon obtaining right of control of them. The difference between this transaction price and the contract consideration is amortized over the contract period using the effective interest rate method. For contracts where the interval between the transfer of right of control and customer payment is one year or less, the Company does not consider the financing component.

If one of the following conditions is met, performance obligations shall be fulfilled within a certain period; otherwise, the performance obligation is satisfied at a point in time:

- ① The customer obtains and consumes the economic benefits brought by the Company's performance at the same time as the Company's performance;
- ② the customer has control over the goods under construction during the Company's performance;
- ③ The goods produced during the Company's performance have no alternative use, and the Company has an enforceable right to payment for performance completed to date throughout the contract period.

For performance obligations performed within a certain period, the Company will recognize the revenue based on the performance progress during that period, except where the performance progress cannot be reasonably determined. The Company determines the progress of performance in providing services using the input method (or output method). When the progress of contract performance cannot be reasonably determined and the costs incurred are expected to be compensated, the Company will recognize revenue based on the amount of costs incurred until the progress of contract performance can be reasonably determined.

The revenue from obligation performance belonging to certain time-point is recognized by the Company when the customer has acquired the right of control over relevant goods. When judging whether the customer has obtained right of control of the goods or services, the Company considers



the following signs:

- ① The Company has a present right to payment for the good or service, which means the customer has a present obligation to pay;
- ② The Company has transferred the legal ownership of such goods to the customer, i.e. the customer possesses the legal ownership of such goods;
- ③ The Company has physically transferred the good to the customer, which means the customer has physical possession of the good;
- ④ The Company has transferred the main risks and rewards of ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards of ownership of the goods;
- ⑤ The customer has accepted the product.

(2) Specific methods

The Company's key products include lighting devices, display devices, and downstream application products under the two major brands (LEDVANCE and MLS). The sales contracts with customers contain the performance obligation to transfer products, which belongs to a performance obligation satisfied at a point in time.

Revenue from domestic sales is recognized when the following conditions are met: the Company has delivered the products to the customer in accordance with the contract and the customer has accepted the products; the payment has been collected or the receipt voucher has been obtained and the related economic benefits are likely to flow in; the major risks and rewards of ownership of the goods have been transferred, and the legal title to the goods has been transferred;

revenue from export sales is recognized when the following conditions are met: the Company has declared the products for customs clearance in accordance with the contract and obtained the bill of lading; the payment has been collected or the receipt voucher has been obtained and the related economic benefits are likely to flow in; the major risks and rewards of ownership of the goods have been transferred, and the legal title to the goods has been transferred.

Different revenue recognition methods and measurement methods involved in the use of different business models for similar business

38. Contract costs

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

Costs incurred by the Company to fulfill a contract are recognized as an asset for contract fulfillment costs when all of the following conditions are met:

- ① Such costs are directly related to a current or expected contract, covering direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly to be assumed by customers and other costs only occurred for such contract.

- ② The costs increase the resources of the Company to fulfill its performance obligations in the

future.

- ③ The cost is expected to be recoverable.

The incremental costs incurred by the Company to obtain the contract are expected to be recovered and are recognized as an asset as the contract acquisition cost.

The assets related to contract costs are amortized on the same basis as revenue recognition for goods or services related to the asset; however, if the amortization period of the contract acquisition cost does not exceed one year, the Company will include it in the current profit or loss when incurred.

If the carrying value of an asset related to contract costs is higher than the difference between the following two items, the Company will make impairment provisions on the excess amount, recognize it as an asset impairment loss, and further consider whether an estimated liability for onerous contracts should be made:

- ① The remaining consideration expected to be received for the transfer of goods or services related to the asset;

- ② Estimate the costs that will occur in order to transfer the relevant goods or services.

If the aforementioned asset impairment provision is subsequently reversed, the carrying value of the asset after the reversal shall not exceed the carrying value that the asset would have had on the reversal date if no impairment provision had been made.

Contract fulfillment costs recognized as an asset with an amortization period not exceeding one year or one normal operating cycle at initial recognition are presented under "Inventories"; those with an amortization period exceeding one year or one normal operating cycle at initial recognition are presented under "Other non-current assets".

Contract acquisition costs recognized as an asset with an amortization period not exceeding one year or one normal operating cycle at initial recognition are presented under "Other current assets"; those with an amortization period exceeding one year or one normal operating cycle at initial recognition are presented under "Other non-current assets".

39. Government subsidies

(1) Recognition of government subsidies

Government subsidies can be recognized only when the following conditions are met simultaneously:

- ① The Company is able to meet the conditions attached to the government subsidies;
- ② The Company is able to receive the government subsidies.

(2) Measurement of government subsidies

Government subsidies that are monetary assets are measured at the amount received or



receivable. If a government subsidy is a non-monetary asset, it shall be measured at fair value; if the fair value cannot be obtained reliably, it is measured at a nominal amount of RMB 1.

(3) Accounting treatment of government subsidies

① Asset-related government subsidies

Government subsidies obtained by the Company for the purpose of purchasing, constructing, or otherwise forming long-term assets are classified as asset-related government subsidies. Asset-related government subsidies are recognized as deferred income and are included in profits and losses in installments within useful life of the relevant assets in a reasonable and systematic manner. Government subsidies measured at the nominal amount are directly recognized in the current profit or loss. If the relevant assets are sold, transferred, scrapped or damaged before the end service life, the undistributed balance of relevant deferred income will be transferred to the profit or loss of the current period of asset disposal.

① Income-related government subsidies

Government subsidies other than those related to assets are classified as government subsidies related to income. Income-related government subsidies are accounted for as follows, depending on the circumstances:

Government subsidies used to compensate the Company for related costs, expenses or losses in subsequent periods are recognized as deferred income and recognized in the current profit or loss in the period when the related costs, expenses or losses are recognized;

Those intended to compensate for the Company's related costs, expenses, or losses that have already been incurred are directly credited to the current profit or loss.

For government subsidies that contain both asset-related parts and income-related parts, the different parts are accounted for separately; Those that are difficult to distinguish are generally classified as income-related government subsidies.

Government subsidies related to the Company's daily activities are recognized in other income according to the essence of economic business. Government subsidies not related to the Company's daily activities are recorded in non-operating income and expenses.

③ Interest subsidies on policy-based preferential loans

If the fiscal authorities directly allocate discount interest funds to the Company, the Company will use the corresponding interest subsidies to offset related borrowing costs.

④ Return of government subsidies

When the recognized government subsidies need to be returned, the carrying value of the assets shall be adjusted if the carrying value of the relevant assets is offset at the time of initial recognition; If there is a related deferred income balance, the book balance of the related deferred income is written down, and any excess is recognized in profit or loss for the current period; if it

falls under other circumstances, it shall be directly included in the current profit or loss.

40. Deferred tax assets/deferred tax liabilities

The Company generally recognizes and measures the tax effect of taxable temporary differences or deductible temporary differences as deferred tax liabilities or deferred tax assets using the balance sheet liability method, based on the temporary differences between the carrying values and tax bases of assets and liabilities at the balance sheet date. The Company does not discount deferred tax assets and deferred tax liabilities.

(1) Recognition of deferred tax assets

For deductible temporary differences, deductible losses and tax credits that can be carried forward to future years, their impact on income tax is calculated based on the income tax rate of the expected reversal period, and this impact is recognized as deferred tax assets, but only to the extent that it is probable that the Company will have future taxable income available against which the deductible temporary differences, deductible losses and tax credits can be utilized.

The tax effect of deductible temporary differences arising from the initial recognition of an asset or liability in a transaction or event that has both of the following characteristics is not recognized as a deferred tax asset:

A. The transaction is not a business combination;

B. The transaction affects neither accounting profit nor taxable income (or deductible loss) at the time of the transaction.

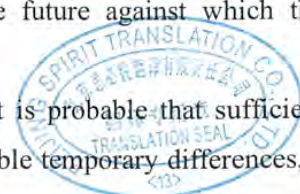
However, this exemption for not recognizing deferred tax liabilities and deferred tax assets upon initial recognition does not apply to a single transaction that meets both of the above conditions and results in equal amounts of taxable and deductible temporary differences upon the initial recognition of the asset and liability. For the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in such a transaction, the Company recognizes the corresponding deferred tax liabilities and deferred tax assets at the time of the transaction.

The Company recognizes a deferred tax asset for the tax effect of deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures only if both of the following conditions are met:

A. The temporary differences are likely to be reversed in the foreseeable future;

B. It is probable that taxable income will be available in the future against which the deductible temporary differences can be utilized;

At the balance sheet date, if there is conclusive evidence that it is probable that sufficient taxable income will be available in future periods to utilize the deductible temporary differences, a



deferred tax asset that was not recognized in prior periods is recognized.

On the balance sheet date, the Company reviews the carrying value of deferred tax assets. If it is probable that sufficient taxable income will not be available in future periods to offset the benefits of deferred tax assets, the carrying value of deferred tax assets will be written down. The amount of the write-down is reversed when it is probable that sufficient taxable income will be obtained.

(2) Recognition of deferred tax liabilities

The Company measures the impact of all taxable temporary differences on income tax at the income tax rate expected for the period when they are reversed, and recognizes this impact as deferred tax liabilities, with the following exceptions:

① The impact on income tax of taxable temporary differences arising from the following transactions or events is not recognized as deferred tax liabilities:

A. Initial recognition of goodwill;

B. Initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income or deductible loss.

② For taxable temporary differences associated with investments in subsidiaries, joint ventures, and associates, the Company generally recognizes their income tax effect as deferred tax liabilities, except when both of the following conditions are met:

A. The Company is able to control the timing of the reversal of the temporary differences;

B. The temporary differences are not likely to be reversed in the foreseeable future.

(3) Recognition of deferred tax liabilities or assets related to specific transactions or events

① Deferred tax liabilities or assets related to business combinations

For taxable temporary differences or deductible temporary differences arising from a business combination not under common control, when recognizing the deferred tax liabilities or deferred tax assets, the related deferred tax expense (or income) is usually adjusted against the goodwill recognized in the business combination.

② Items directly recognized in owners' equity

Current income tax and deferred tax that relate to transactions or events recognized directly in owners' equity are recognized in owners' equity. Transactions or events for which the income tax effect of temporary differences is charged to owners' equity include: other comprehensive income arising from changes in fair value of other debt investments, etc.; adjustments to opening retained earnings due to changes in accounting policies using the retrospective application method or correction of prior period (material) accounting errors using the retrospective restatement method;

and hybrid financial instruments containing both liability and equity components that are recognized in owners' equity upon initial recognition, etc.

③ Compensable losses and tax credits

A. Compensable losses and tax credits arising from the Company's own operations

Deductible losses refer to losses that are determined in accordance with tax laws and are allowed to be offset against taxable income in future years. Unutilized losses (deductible losses) and tax credits that can be carried forward to future years in accordance with tax laws are treated as deductible temporary differences. When it is probable that sufficient taxable income will be available in future periods to utilize the compensable losses or tax credits, a corresponding deferred tax asset is recognized to the extent of the probable taxable income, and the income tax expense in the current income statement is reduced accordingly.

B. Compensable uncovered losses of the combined enterprise that arose from a business combination

In a business combination, if the deductible temporary differences of the acquiree obtained by the Company do not meet the recognition criteria for deferred tax assets on the acquisition date, they are not recognized. Within 12 months after the acquisition date, if new or further information is obtained indicating that the relevant circumstances on the acquisition date already existed and it is expected that the economic benefits from the acquiree's deductible temporary differences can be realized on the acquisition date, the related deferred tax asset is recognized, and goodwill is reduced accordingly; if the goodwill is insufficient to be offset, the difference is recognized in the current profit or loss; in addition to the above circumstances, the deferred tax assets related to the business combination recognized shall be included in the current profit or loss.

④ Temporary differences arising from consolidation elimination

When the Company prepares consolidated financial statements, if a temporary difference arises between the carrying value of an asset or liability in the consolidated balance sheets and its tax base in the respective taxable entity due to the elimination of unrealized intercompany sales gains or losses, a deferred tax asset or deferred tax liability is recognized in the consolidated balance sheets, and the income tax expense in the consolidated income statements is adjusted accordingly, except for deferred tax related to transactions or events recognized directly in owners' equity and business combinations.

⑤ Equity-settled share-based payments

If tax laws and regulations stipulate that expenditures related to share-based payments are tax-deductible, during the period in which costs and expenses are recognized in accordance with accounting standards, the Company shall estimate the tax-deductible amount based on information obtained at the end of the accounting period to calculate its tax base and the resulting temporary

differences, and recognize the related deferred tax if the recognition criteria are met. Where the amount expected to be tax-deductible in future periods exceeds the share-based payment related costs and expenses recognized in accordance with accounting standards, the income tax effect of the excess portion shall be recognized directly in owners' equity.

⑥ Dividends related to financial instruments classified as equity instruments

For financial instruments classified as equity instruments by the Company as the issuer, if the related dividend expenses are deductible before enterprise income tax in accordance with relevant tax policies, the Company recognizes the income tax effect related to the dividends when recognizing the dividends payable. If the distributed profits are derived from transactions or events that previously generated profit or loss, the income tax effect of such dividends is recognized in the current profit or loss; For distributed profits derived from transactions or events previously recognized in owners' equity, the income tax effect of such dividends is charged to owners' equity.

(4) Basis for offsetting deferred tax assets and deferred tax liabilities

The Company presents deferred tax assets and deferred tax liabilities at a net amount after offset when the following conditions are met simultaneously:

The Company has the legal rights to settle income tax assets and income tax liabilities for the current period with net amount;

Deferred tax assets and deferred tax liabilities are related to the income tax which are imposed on the same taxpayer by the same tax collection authority or on different taxpayers, but, in each important future period in connection with the reversal of deferred tax assets and deferred tax liabilities, the involved taxpayer intends to settle the current income tax assets and liabilities on a net basis, or obtain assets at the time of discharging liabilities.

41. Leases

(1) Accounting treatment for leases in which the Company is a lessee

(1) Identification of a lease

At the commencement date of the contract, the Company assesses whether the contract is, or contains, a lease. If the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration, the contract is, or contains, a lease. To determine whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and the right to direct the use of the identified asset throughout that period of use.

(2) Identification of a separate lease

If the contract contains multiple separate leases at the same time, the Company will split the



contract and conduct accounting treatment for each separate lease. The right to use an identified asset constitutes a separate lease in a contract if both of the following conditions are met: ① the lessee can benefit from use of the asset either on its own or together with other resources that are readily available to the lessee; ② the asset is not highly dependent on, or highly interrelated with, other assets in the contract.

(3) Accounting treatment by the Company as a lessee

At the commencement date of the lease term, the Company identifies a lease with a lease term of 12 months or less that does not contain a purchase option as a short-term lease; A lease is identified as a low-value asset lease if the single leased asset is of low value when new. If the Company subleases or expects to sublease a leased asset, the original lease is not classified as a low-value asset lease.

For all short-term leases and low-value asset leases, the Company recognizes the lease payments based on the straight-line method over the lease term into the cost of the related assets or the current profit or loss.

Except for short-term leases and low-value asset leases for which the simplified approach is adopted as described above, the Company recognizes right-of-use assets and lease liabilities for leases at the commencement date of the lease term.

① Right-of-use assets

The term "right-of-use assets" refers to the right of the lessee to use the leased asset within the lease term.

At the commencement date of the lease term, right-of-use assets are initially measured at cost. The cost includes:

- The initial measurement amount of lease liabilities;
- For lease payments made on or before the commencement date of the lease term, if there are lease incentives, the amount related to the lease incentives already enjoyed will be deducted;
- The initial direct costs incurred by the lessee;
- The costs to be incurred to the lessee for demolishing and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company recognizes and measures this cost in accordance with the recognition criteria and measurement methods for estimated liabilities, as detailed in Note III. 24. The aforementioned costs that are incurred for the production of inventories will be included in the inventory cost.

Depreciation of right-of-use assets is calculated using the straight-line method by category. For leased assets where ownership can be reasonably determined to be obtained at the end of the lease term, the depreciation rate is determined based on the category of the right-of-use assets and the estimated net residual value rate over the estimated remaining service life of the leased asset; for

leased assets where ownership cannot be reasonably determined to be obtained at the end of the lease term, the depreciation rate is determined based on the category of the right-of-use assets over the shorter of the lease term and the remaining service life of the leased asset.

The depreciation methods, depreciation periods, residual value rates, and annual depreciation rates for various right-of-use assets are as follows:

Category	Depreciation method	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line method	20 years	1.00-5.00	4.75-4.95
Machinery and equipment	Straight-line method	5-10 years	1.00-5.00	9.50-19.80
Transportation equipment	Straight-line method	4-5 years	1.00-5.00	19.00-24.75

② Lease liabilities

Lease liabilities shall be initially measured at the present value of the lease payments that are not yet paid at the commencement date of the lease term. Lease payments consist of the following five items:

- Fixed payments and in-substance fixed payments, and if there are lease incentives, less the amounts related to the lease incentives;
- Variable lease payments that depend on an index or rate;
- The exercise price of a call option, provided that the lessee is reasonably certain to exercise that option;
- The amount to be paid to exercise the lease termination option, provided that it is reflected that the lessee will exercise the lease termination option;
- The amount expected to be payable based on the residual value of the guarantee provided by the lessee.

When calculating the present value of lease payments, the interest rate implicit in the lease is used as the discount rate. If the interest rate implicit in the lease cannot be determined, the Company's incremental borrowing rate is used as the discount rate. The difference between the lease payments and their present value is recognized as an unconfirmed finance charges, and interest expense is recognized in each period of the lease term at the discount rate used to determine the present value of the lease payments and is charged to the current profit or loss. The variable lease payment not included in the measurement of the lease liabilities shall be included in the current profit or loss when they actually occur.

After the commencement date of the lease term, when there is any change in the actual fixed payment, the estimated amount payable of the guaranteed residual value, the index or ratio used to

determine the lease payment, the evaluation result or actual exercise of the purchase option, renewal option or termination option, the Company re-measures the lease liabilities at the present value of the lease payment after the change, and adjusts the carrying value of the right-of-use assets accordingly.

(2) Accounting treatment for leases in which the Company is a lessor

(4) Accounting treatment by the Company as a lessor

At the lease commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset. All other leases are classified as operating leases.

① Operating leases

During each period of the lease term, the Company recognizes lease payments as rental revenue using the straight-line method. Initial direct costs incurred are capitalized and amortized on the same basis as the recognition of rental revenue, and are recognized in the current profit or loss in installments. The variable lease payments related to operating leases obtained by the Company but not yet included in the lease receipts are included in the current profit or loss when actually incurred.

② Financing leases

On the lease commencement date, the Company recognizes financing lease receivables based on the net investment in the lease and derecognizes the financing lease assets. During each period of the lease term, the Company calculates and recognizes interest income based on the interest rate implicit in the lease.

Variable lease payments obtained by the Company that are not included in the measurement of the net investment in the lease are recognized in the current profit or loss when they are actually incurred.

(5) Accounting treatment of lease modification

① Lease modification accounted for as a separate lease

If a lease modification occurs and meets all of the following conditions, the Company shall account for the lease modification as a separate lease: A. The lease modification increases the scope of the lease by adding the right to use one or more leased assets; B. The increase in consideration is commensurate with the stand-alone price of the increase in the scope of the lease, adjusted for the circumstances of the contract.

② Lease modification not accounted for as a separate lease

A. The Company as a lessee

On the effective date of the lease modification, the Company redetermines the lease term and remeasures the lease liabilities by discounting the modified lease payments using a revised discount



rate. When calculating the present value of the lease payments after the modification, the interest rate implicit in the lease for the remainder of the lease term is used as the discount rate; if the interest rate implicit in the lease for the remainder of the lease term cannot be determined, the incremental borrowing rate at the effective date of the lease modification is used as the discount rate.

For the impact of the above-mentioned adjustments to lease liabilities, the accounting treatment is distinguished according to the following circumstances:

- If a lease modification decreases the scope of the lease or shortens the lease term, decrease the carrying value of the right-of-use assets, and recognize in the current profit or loss any gain or loss relating to the partial or full termination of the lease;
- For other lease modifications, adjust the carrying value of the right-of-use assets accordingly.

B. The Company as a lessor

If an operating lease is modified, the Company shall account for the modification as a new lease from the effective date of the modification, and any prepaid or accrued lease payments relating to the original lease shall be considered as part of the lease payments for the new lease.

For a modification to a finance lease that is not accounted for as a separate lease, the Company shall account for the modified lease in the following ways, as applicable: if the lease would have been classified as an operating lease had the modification been in effect at the commencement date, the Company shall account for the lease modification as a new lease from the effective date of the modification, and measure the carrying value of the leased asset as the net investment in the lease immediately before the effective date of the lease modification; if the lease would have been classified as a finance lease had the modification been in effect at the commencement date, the Company shall account for it in accordance with the provisions concerning the modification or renegotiation of a contract.

(6) Sale and leaseback

The Company evaluates and determines whether the asset transfer in a sale and leaseback transaction constitutes a sale in accordance with the provisions of Note III. 25.

① The Company as the seller (lessee)

In a sale-and-leaseback transaction where the asset transfer does not qualify as a sale, the Company continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds, and accounts for the financial liability in accordance with Note III. 11. If the transfer of the asset qualifies as a sale, the Company measures the right-of-use assets arising from the sale-and-leaseback at the portion of the previous carrying value of the asset that relates to the right of use retained, and recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

② The Company as the buyer (lessor)

In a sale-and-leaseback transaction where the asset transfer does not qualify as a sale, the Company does not derecognize the transferred asset, but recognizes a financial asset equal to the transfer proceeds, and accounts for the financial asset in accordance with Note III. 11. If the transfer of the asset qualifies as a sale, the Company accounts for the purchase of the asset in accordance with other applicable accounting standards for business enterprises and accounts for the lease of the asset.

42. Other significant accounting policies and accounting estimates

None

43. Changes in significant accounting policies and accounting estimates

(1) Significant changes in accounting policies

☒Applicable ☐Not applicable

Unit: RMB

Content and reasons for the changes in accounting policies	Statement items significantly affected	Affected amount
On October 25, 2023, the Ministry of Finance issued the Interpretation No. 17 of the Accounting Standards for Business Enterprises (CK [2023] No. 21, hereinafter referred to as Interpretation No. 17), which came into effect on January 1, 2024.	See "Other explanations ①" for details	
On August 1, 2023, the Ministry of Finance issued the Interim Provisions on Accounting Treatment of Enterprise Data Resources (CK [2023] No. 11), which came into effect on January 1, 2024.	See "Other disclosures ②" for details	
The Compilation of Application Guidance for Accounting Standards for Business Enterprises (2024) issued by the Ministry of Finance in March 2024 and the Interpretation No. 18 of the Accounting Standards for Business Enterprises issued on December 6, 2024, are effective from the date of issuance.	See "Other explanations ③" for details	

① Implementation of Interpretation No. 17 of the Accounting Standards for Business Enterprises

On October 25, 2023, the Ministry of Finance issued the Interpretation No. 17 of the Accounting Standards for Business Enterprises (CK [2023] No. 21, hereinafter referred to as Interpretation No. 17), which came into effect on January 1, 2024. The Company has implemented the provisions of Interpretation No. 17 since January 1, 2024, which includes the classification of current liabilities and non-current liabilities, disclosures regarding supplier finance arrangements, and the accounting treatment of sale-and-leaseback transactions. The implementation of the relevant provisions of Interpretation No. 17 has no significant impact on the Company's financial statements during the reporting period.

② Implementation of the Interim Provisions on Accounting Treatment of Enterprise Data Resources (CK [2023])



On August 1, 2023, the Ministry of Finance issued the Interim Provisions on Accounting Treatment of Enterprise Data Resources (CK [2023] No. 11), which came into effect on January 1, 2024. The Company applies this provision prospectively, and expenditures related to data resources that were already expensed in profit or loss before the implementation of this provision will not be adjusted.

③ Reclassification of assurance-type warranty expenses

The Compilation of Application Guidance for Accounting Standards for Business Enterprises (2024) issued by the Ministry of Finance in March 2024 and the Interpretation No. 18 of the Accounting Standards for Business Enterprises issued on December 6, 2024 stipulate that assurance-type warranty expenses should be included in operating costs. The implementation of this provision has no significant impact on the Company's financial statements for the reporting period.

(2) Changes in significant accounting estimates

☐ Applicable ☒ Not applicable

(3) Adjustments of relevant items of financial statements at the beginning of the year in the year of initial implementation of new accounting standards from 2024

☐ Applicable ☒ Not applicable

44. Others

VI. Taxation

1. Major tax types and tax rate

Tax type	Taxation basis	Tax rate
VAT	Taxable value-added amount (the tax payable is calculated as the taxable sales amount multiplied by the applicable tax rate, minus the deductible input tax for the current period)	13%/9%/6%
Urban maintenance and construction tax	Amount of VAT paid	7%/5%
Enterprise income tax	Taxable income	15%、20%、25%
Education surcharge	Amount of VAT paid	3%
Local education surcharge	Amount of VAT paid	2%
Disclosure description for taxpayers with different enterprise income tax rates		
Taxpayer name		Income tax rate

2. Tax incentives

(1) Zhongshan MLS Electronics Co., Ltd., a subsidiary of the Company, passed the re-accreditation of its high-tech enterprise qualification in 2022 with the high-tech enterprise certificate No. GR202244015997. The enterprise income tax is calculated and paid at a tax rate of

15% for the current period.

(2) Xinyu MLS Electronics Co., Ltd., a subsidiary of the Company, passed the re-accreditation of its high-tech enterprise qualification in 2022, with the high-tech enterprise certificate No. GR202236000408. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(3) Ji'an MLS Precision Technology Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2022, with the high-tech enterprise certificate No. GR202236000764. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(4) HARMONY MINGXIN (Yiwu) Optoelectronics Technology Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2024, with the high-tech enterprise certificate No. GR202433008583. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(5) LEDVANCE Lighting Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2023, with the high-tech enterprise certificate No. GR202344001256. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(6) Ji'an MLS Optoelectronics Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2022, the high-tech enterprise certificate No. GR202236000240. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(7) Ji'an MLS Electronics Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2024, with the high-tech enterprise certificate No. GR202436000967. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(8) Ji'an MLS Display Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2022, with the high-tech enterprise certificate No. GR202236000584. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(9) Guangdong MLS Smart Opto-Energy Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2023, with the high-tech enterprise certificate No. GR202344017055. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(10) Hunan MLS Machinery Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2024, with the high-tech enterprise certificate No.

GR202443000986. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(11) Zhongshan Master Light Source Electronics Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2024, with the high-tech enterprise certificate No. GR202444010008. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(12) Zhongshan Zhuoman Microelectronics Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2023, with the high-tech enterprise certificate No. GR202344016486. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(13) MLS (Guangdong) Health Technology Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2023, with the high-tech enterprise certificate No. GR202344010897. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(14) GYGAIR Co., Ltd., a subsidiary of the Company, was recognized as a high-tech enterprise by national authorities in 2022, with the high-tech enterprise certificate No. GR202244017190. The enterprise income tax is calculated and paid at a tax rate of 15% for the current period.

(15) Zhongshan Botech Testing Co., Ltd. and Ledvance Digital Technology (Shanghai) Co., Ltd., two subsidiaries of the Company, are small and low-profit enterprises. Their taxable income is calculated at a reduced 25% rate, and enterprise income tax is paid at a tax rate of 20%.

(16) GYGAIR Co., Ltd., a subsidiary of the Company, is subject to the Notice of the Ministry of Finance and the State Taxation Administration on the Value-Added Tax Policy for Software Products (CS [2011] No. 100). As a general VAT taxpayer, for the self-developed software products it sells, after VAT is collected at the 13% tax rate, the portion with actual tax burden exceeding 3% shall apply the policy of immediate refund upon collection.

3. Other

2. Disclosure of major tax items for overseas taxpayers

Country or region	Tax type	Value-added tax or sales tax	Enterprise income tax
Argentina	Input tax:	21%	35%
	Output tax:	21%	
Australia	Input tax:	10%	30%
	Output tax:	10%	
Austria	Input tax:	20%	23%
	Output tax:	20%	
Belgium	Input tax:	21%	25%
	Output tax:	21%	

Netherlands	Input tax:	21%	23.478%
	Output tax:	21%	
Brazil	Federal consumption tax (IPI)	5%-30%	34%
	Federal value-added tax (PIS/COFINS)	3.65% (cumulative) or 0.25% (non-cumulative)	
	State value-added tax (ICMS)	Usually 17% to 20% (lower tax rates of 4%, 7%, and 12% apply to interstate transactions)	
	Municipal service tax (ISS)	2% to 5% (cumulative)	
Bulgaria	Input tax:	20%	10%
	Output tax:	20%	
Canada	Basic sales tax rate:	5%	26.33%
	State sales tax rate:	13% to 15%	
Colombia	Input tax:	19%	35%
	Output tax:	19%	
Croatia	Input tax:	25%	18%
	Output tax:	25%	
Czech	Input tax:	21%	21%
	Output tax:	21%	
Denmark	Input tax:	25%	22%
	Output tax:	25%	
Ecuador	Input tax:	15%	25%
	Output tax:	15%	
Egypt	Input tax:	15%	22.5%
	Output tax:	15%	
Finland	Input tax:	25.5% (24% until August 31, 2024)	20%
	Output tax:	25.5% (24% until August 31, 2024)	
France	Input tax:	20%	Enterprise income tax: 25%
	Output tax:	20%	Social Contribution Tax: 0.92% of 28% taxable profits
Germany	Input tax:	19%	Federal tax: 15%
	Output tax:	19%	State tax: 12% to 14%
			Solidarity surcharge: 5.5% of the accrued federal enterprise income tax
United Kingdom	Input tax:	20%	25%
	Output tax:	20%	
Greece	Basic value-added tax rate:	24%	22%
	Preferential value-added tax rates in some regions:	24%	
Hong Kong, China	Input tax:	0%	16.50%
	Output tax:	0%	
Hungary	Input tax:	27%	9%
	Output tax:	27%	
India	Input and output tax rates applicable to LED products:	12%	25.63%
	Input and output tax rates applicable to other products:	18%	
Italy	Input tax:	22%	Enterprise income tax: 24%
	Output tax:	22%	Regional production tax: 3.9%

Japan	Input tax:	10%	National level: 23.2%
	Output tax:	10%	
South Korea	Input tax:	10%	9%
	Output tax:	10%	
Malaysia	Value-added tax rate as of September 30, 2018:	10%	24%
	Sales tax rate starting from January 2019:	10%	
Mexico	Input tax:	16%	30%
	Output tax:	16%	
United Arab Emirates	Input tax:	5%	0%
	Output tax:	5%	
Norway	Input tax:	25%	22%
	Output tax:	25%	
Peru	Input tax:	18%	29.50%
	Output tax:	18%	
Poland	Input tax:	23%	19%
	Output tax:	23%	
Portugal	Input tax:	23%	21%
	Output tax:	23%	
Romania	Input tax:	19%	16%
	Output tax:	19%	
Russia	Input tax:	20%	CIS enterprise income tax: 3%
	Output tax:	20%	Russia enterprise income tax: 17%
Singapore	Input tax:	9%	17%
	Output tax:	9%	
Slovakia	Input tax:	20%	21%
	Output tax:	20%	
South Africa	Input tax:	15%	27%
	Output tax:	15%	
Spain	Input tax:	21%	25%
	Output tax:	21%	
Sweden	Input tax:	25%	20.60%
	Output tax:	25%	
Switzerland	Input tax:	8.10%	Enterprise income tax: 9%
	Output tax:	8.10%	Zurich canton tax: 21.51%
Turkey	Input tax:	20%	25%
	Output tax:	20%	
Ukraine	Input tax:	20%	18%
	Output tax:	20%	
U.S.	Consumption tax:	2.9% to 7.25%	Mixed tax rate of 25.2%
Vietnam	Input tax:	5% to 8%	20%
	Output tax:	5% to 8%	
Estonia	Input tax:	22%	20%
	Output tax:	22%	
Latvia	Input tax:	21%	20%
	Output tax:	21%	
Lithuania	Input tax:	21%	20%

VII. Notes to items in the consolidated financial statements

1. Monetary funds

Item	Closing balance	Opening balance
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Cash on hand	12,999.19	443,914.55
Bank deposits	3,566,258,051.54	3,871,619,159.89
Other monetary funds	526,519,846.69	801,252,409.39
Total	4,092,790,897.42	4,673,315,483.83
Including: total amount of deposits abroad	2,400,561,727.15	2,194,139,033.73

Other notes:

Note: (1) As of December 31, 2024, the Company's restricted monetary funds amounted to RMB 524,885,264.29 (RMB 566,506,711.05 as of December 31, 2023), primarily comprising security deposits for bank acceptance drafts and loan security deposits.

(2) RMB 496,206,323.26 of other monetary funds consist of security deposits paid by the Company for issuing bank acceptance drafts.

2. Financial assets held for trading

Unit: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value with changes in fair value recognized in profit or loss	4,874,899.51	2,213,304.48
Specifically:		
Derivative financial assets	4,874,899.51	2,213,304.48
Specifically:		
Total	4,874,899.51	2,213,304.48

Other notes:

Note: (1) Derivative financial assets consist of forward foreign exchange settlement and sale contracts entered into by the Company with financial institutions.

3. Derivative financial assets

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

4. Notes receivable

(1) Presentation of notes receivable by category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	881,693,722.33	713,863,203.52
Commercial acceptance bills	23,749,141.10	36,313,540.41
Total	905,442,863.43	750,176,743.93

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Closing balance			Opening balance		
	Book balance	Provisions for bad debts	Carrying value	Book balance	Provisions for bad debts	Carrying value

	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Specifically:										
Notes receivable with provisions for bad debts made on a portfolio basis	906,692,818.29	100.00%	1,249,954.86	0.14%	905,442,863.43	751,395,959.62	100.00%	1,219,215.69	0.16%	750,176,743.93
Specifically:										
Bank acceptance bills	881,693,722.33	97.24%			881,693,722.33	713,863,203.52	95.00%			713,863,203.52
Commercial acceptance bills	24,999,095.96	2.76%	1,249,954.86	5.00%	23,749,141.10	37,532,756.10	5.00%	1,219,215.69	3.25%	36,313,540.41
Total	906,692,818.29	100.00%	1,249,954.86	0.14%	905,442,863.43	751,395,959.62	100.00%	1,219,215.69	0.16%	750,176,743.93

Provisions for bad debts on a portfolio basis: As of December 31, 2024, in the portfolio, notes receivable for which provisions for bad debts are calculated by the category of acceptors

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio
Bank acceptance bills	881,693,722.33		
Commercial acceptance bills	24,999,095.96	1,249,954.86	5.00%
Total	906,692,818.29	1,249,954.86	

The basis for determining the portfolio:

Provisions for bad debts on commercial acceptance bills portfolio: As of December 31, 2024, the Company measures provisions for bad debts for banker acceptance bills based on lifetime expected credit losses. The Company believes that there are no material credit risks in the banker's acceptance bills it holds, and no material losses will result from default by the issuing banks or other drawers. For the recognition criteria and description of provisions for bad debts on a portfolio basis, see Notes III. 11.

If the provisions for bad debts of notes receivable are measured under the general model for expected credit losses:

☐Applicable ☒Not applicable

(3) Provisions for bad debts made, recovered or reversed for the current period

Provisions for bad debts for the current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provisions for bad debts of commercial acceptance bills	1,219,215.69	82,475.79			-51,736.62	1,249,954.86
Total	1,219,215.69	82,475.79			-51,736.62	1,249,954.86

Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

☐Applicable ☒Not applicable

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

Unit: RMB

Item	Amount pledged at the end of the period
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(5) Notes receivable endorsed or discounted by the Company at the end of the period and not yet matured as of the balance sheet date

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	1,370,450,497.88	
Total	1,370,450,497.88	

(6) Actual write-off of notes receivable in the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material notes receivable:

Unit: RMB

Name of entity	Nature of notes receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off of notes receivable:

5. Accounts receivable**(1) Disclosed by aging**

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	4,059,813,577.90	3,921,306,567.67
1 to 2 years	187,790,862.48	365,172,826.88
2 to 3 years	263,678,161.47	45,400,321.22
Over 3 years	448,272,833.76	505,148,570.48
3 to 4 years	20,205,163.57	146,215,190.24
4 to 5 years	69,582,740.87	80,017,851.13
Over 5 years	358,484,929.32	278,915,529.11
Total	4,959,555,435.61	4,837,028,286.25

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provisions for bad debts		Carrying value	Book balance		Provisions for bad debts		Carrying value
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Accounts receivable with provisions for bad debts made on an	945,750,065.60	19.07%	681,831,011.87	72.09%	263,919,053.73	955,474,587.14	19.75%	562,344,910.17	58.86%	393,129,676.97

individual basis										
Specifically:										
Accounts receivable with provisions for bad debts made on a portfolio basis	4,013,805,370.01	80.93%	401,896,548.86	10.01%	3,611,908,821.15	3,881,553,699.11	80.25%	430,702,441.90	11.10%	3,450,851,257.21
Specifically:										
Among them: aging portfolio	2,397,719,732.90	48.35%	301,643,411.25	12.58%	2,096,076,321.65	2,197,466,424.32	45.43%	326,973,960.14	14.88%	1,870,492,464.18
Nature portfolio	1,616,085,637.11	32.58%	100,253,137.61	6.20%	1,515,832,499.50	1,684,087,274.79	34.82%	103,728,481.76	6.16%	1,580,358,793.03
Total	4,959,555,435.61	100.00%	1,083,727,560.73	21.85%	3,875,827,874.88	4,837,028,286.25	100.00%	993,047,352.07	20.53%	3,843,980,934.18

Provisions for bad debts on an individual basis: As of December 31, 2024, accounts receivable for which provisions for bad debts are made on an individual basis

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provisions for bad debts	Book balance	Provisions for bad debts	Provision ratio	Reason for provision
Entity 1	332,366,173.04	262,371,116.04	320,734,269.08	280,889,085.48	87.58%	Lack of solvency by the debtor
Entity 2	302,859,296.23	107,145,983.69	295,266,717.69	190,585,705.23	64.55%	Lack of solvency by the debtor
Entity 3	205,363,859.44	95,428,423.45	220,097,291.77	103,005,179.68	46.80%	Lack of solvency by the debtor
Entity 4	32,175,647.65	32,175,647.65	32,655,826.97	32,655,826.97	100.00%	Lack of solvency by the debtor
Entity 5	30,843,509.49	30,843,509.49	30,843,509.49	30,843,509.49	100.00%	Lack of solvency by the debtor
Entity 6	22,333,143.60	22,333,143.60	25,380,023.18	25,380,023.18	100.00%	Lack of solvency by the debtor
Entity 7			3,224,381.33	3,224,381.33	100.00%	Lack of solvency by the debtor
Entity 8			2,324,715.98	2,324,715.98	100.00%	Lack of solvency by the debtor
Entity 9	875,329.93	875,329.93	888,393.08	888,393.08	100.00%	Lack of solvency by the debtor
Entity 10	519,122.25	138,361.89				
Other entities	28,138,505.51	11,033,394.43	14,334,937.03	12,034,191.45	83.95%	Lack of solvency by the debtor
Total	955,474,587.14	562,344,910.17	945,750,065.60	681,831,011.87		

Provisions for bad debts on an individual basis: As of December 31, 2023, accounts receivable for which provisions for bad debts are made on an individual basis



Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provisions for bad debts	Book balance	Provisions for bad debts	Provision ratio	Reason for provision
Entity 1	346,873,016.84	261,381,550.19	332,366,173.04	262,371,116.04	78.94%	Lack of solvency by the debtor
Entity 2	331,874,550.42	115,038,887.82	302,859,296.23	107,145,983.69	35.38%	Lack of solvency by the debtor
Entity 3	221,880,781.62	96,254,269.56	205,363,859.44	95,428,423.45	46.47%	Lack of solvency by the debtor
Entity 4	31,639,137.01	31,639,137.01	32,175,647.65	32,175,647.65	100.00%	Lack of solvency by the debtor
Entity 5	30,843,509.49	30,843,509.49	30,843,509.49	30,843,509.49	100.00%	Lack of solvency by the debtor
Entity 6	18,227,753.63	18,227,753.63	22,333,143.60	22,333,143.60	100.00%	Lack of solvency by the debtor
Entity 7	860,734.30	860,734.30	875,329.93	875,329.93	100.00%	Lack of solvency by the debtor
Entity 8			519,122.25	138,361.89	26.65%	Lack of solvency by the debtor
Entity 9	124,863,757.88	7,974,744.72				
Other entities	36,806,216.12	19,736,442.09	28,138,505.51	11,033,394.43	39.21%	Deterioration of customer's credit status
Total	1,143,869,457.31	581,957,028.81	955,474,587.14	562,344,910.17		

Provisions for bad debts on a portfolio basis: As of December 31, 2024, accounts receivable for which provisions for bad debts are made based on aging portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio
Within 1 year	2,117,521,644.86	105,876,082.40	5.00%
1-2 years	13,413,423.36	2,682,684.67	20.00%
2-3 years	147,400,041.01	73,700,020.51	50.00%
Over 3 years	119,384,623.67	119,384,623.67	100.00%
Total	2,397,719,732.90	301,643,411.25	

The basis for determining the portfolio:

Provisions for bad debts on a portfolio basis: As of December 31, 2024, accounts receivable for which provisions for bad debts are made based on nature portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio

The basis for determining the portfolio:

Category	December 31, 2024
Original value of accounts receivable for which provisions are made based on nature portfolio	1,616,085,637.11
Subtract: Risk provisions made by country	40,584,331.56
Subtract: Risk provisions made based on credit ratings	18,579,365.38

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Category	December 31, 2024
Subtract: Provisions made based on customer-specific risks or customer credit risks Risk provisions	41,089,440.67
Net value of accounts receivable for which provision is made based on nature portfolio	1,515,832,499.50

Provisions for bad debts on a portfolio basis: As of December 31, 2023, accounts receivable for which provisions for bad debts are made based on aging portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio
Within 1 year	1,799,289,842.59	89,964,492.35	5.00%
1-2 years	179,665,458.20	35,933,091.64	20.00%
2-3 years	34,869,494.75	17,434,747.38	50.00%
Over 3 years	183,641,628.78	183,641,628.78	100.00%
Total	2,197,466,424.32	326,973,960.14	

The basis for determining the portfolio:

Provisions for bad debts on a portfolio basis: As of December 31, 2023, accounts receivable for which provisions for bad debts are made based on nature portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio

The basis for determining the portfolio:

Category	December 31, 2023
Original value of accounts receivable for which provisions are made based on nature portfolio	1,684,087,274.79
Subtract: Risk provisions made by country	41,914,601.04
Subtract: Risk provisions made based on credit ratings	22,336,187.39
Subtract: Risk provisions made based on specific customer risks or customer credit risks	39,477,693.33
Net value of accounts receivable for which provision is made based on nature portfolio	1,580,358,793.03

For the recognition criteria and description of provisions for bad debts on a portfolio basis, see Notes III. 11.

If the provision for bad debts of accounts receivable is recognized based on the general model for expected credit losses:

☐ Applicable ☒ Not applicable

(3) Provisions for bad debts made, recovered or reversed for the current period

Provisions for bad debts for the current period:



Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provisions for bad debts	993,047,352.07	184,347,159.80		87,625,285.16	6,041,665.98	1,083,727,560.73
Total	993,047,352.07	184,347,159.80		87,625,285.16	6,041,665.98	1,083,727,560.73

Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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(4) Actual write-off of accounts receivable in the current period

Unit: RMB

Item	Write-off amount
Actual write-off of accounts receivable	88,440,606.65

Among which, write-off of material accounts receivable:

Unit: RMB

Name of entity	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off of accounts receivable:

(5) Information on the top five accounts receivable and contractual assets by ending balance aggregated by debtor

Unit: RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contractual assets	Closing balance of accounts receivable and contractual assets	Proportion of the total closing balance of accounts receivable and contractual assets	Closing balance of provision for bad debts of accounts receivable and impairment provisions of contractual assets
The first	443,303,851.29		443,303,851.29	8.94%	87,494,514.04
The second	320,734,269.08		320,734,269.08	6.47%	280,889,085.48
The third	295,266,717.69		295,266,717.69	5.95%	190,585,705.23
The fourth	274,974,835.86		274,974,835.86	5.54%	13,748,741.79
The fifth	257,376,939.88		257,376,939.88	5.19%	12,899,660.73
Total	1,591,656,613.80		1,591,656,613.80	32.09%	585,617,707.27

6. Contractual assets**(1) Information on contractual assets**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provisions for bad debts	Carrying value	Book balance	Provisions for bad debts	Carrying value

(2) Amounts and the reasons for material changes in carrying values in the reporting period

Unit: RMB

Item	Amount of change	Reason for change
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(3) Disclosed by bad debt accrual method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provisions for bad debts		Carrying value	Book balance		Provisions for bad debts		Carrying value
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Specifically:										
Specifically:										

Provisions for bad debts made in accordance with the general model for expected credit losses

☐Applicable ☒Not applicable**(4) Provisions for bad debts made, recovered or reversed in the current period**

Unit: RMB

Item	Provision made in the current period	Recovery or reversal in the current period	Reversal/write-off in the current period	Reason
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Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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Other notes:

(5) Actual write-off of contractual assets in the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material contractual assets

Unit: RMB

Name of entity	Nature of amounts	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off of contractual assets:

Other notes:

**7. Accounts receivable financing****(1) Classification and presentation of accounts receivable financing**

Unit: RMB

Item	Closing balance	Opening balance
Total	0.00	0.00

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Closing balance			Opening balance		
	Book balance	Provisions for bad debts	Carrying value	Book balance	Provisions for bad debts	Carrying value

	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Specifically:										
Specifically:										

Provisions for bad debts made in accordance with the general model for expected credit losses

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Lifetime expected credit losses (no credit impairments)	Lifetime expected credit losses (with credit impairments)	
Balance as of January 1, 2024 in the current period				

Basis for classification of each stage and provision ratio of provisions for bad debts

Notes on material changes in the book balance of accounts receivable financing due to changes in provision for losses in the current period:

(3) Information on provisions for bad debts made, recovered, or reversed in the current period

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off or reversal	Other changes	

Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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Other notes:

(4) Accounts receivable financing pledged by the Company at the end of the period

Unit: RMB

Item	Amount pledged at the end of the period
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(5) Accounts receivable financing that had been endorsed or discounted by the Company at the end of the period and had not yet matured on the balance sheet date

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
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(6) Actual write-off of accounts receivable financing in the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material accounts receivable financing

Unit: RMB

Name of entity	Nature of amounts	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off:



(7) Changes in accounts receivable financing and changes in fair value in the current period**(8) Other explanations****8. Other receivables**

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	0.00
Dividends receivable	0.00	973,200.00
Other receivables	47,075,325.22	390,066,185.93
Total	47,075,325.22	391,039,385.93

(1) Interest receivable**1) Classification of interest receivable**

Unit: RMB

Item	Closing balance	Opening balance
Total	0.00	0.00

2) Material overdue interest

Unit: RMB

Borrower	Closing balance	Overdue period	Reason for being overdue	Whether impairment has occurred and the basis for judgment
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Other notes:

3) Disclosure classified by bad debt accrual methods☐ Applicable ☒ Not applicable**4) Information on provisions for bad debts made, recovered, or reversed in the current period**

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off or reversal	Other changes	

Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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Other notes:

5) Actual write-off of interest receivable in the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material interest receivable

Unit: RMB

Name of entity	Nature of amounts	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off:

Other notes:



(2) Dividends receivable**1) Classification of dividends receivable**

Unit: RMB

Project (or investee)	Closing balance	Opening balance
Fujian ManewAIoT Lighting Co., Ltd.	0.00	973,200.00
Total	0.00	973,200.00

2) Material dividends receivable with an aging of over 1 year

Unit: RMB

Project (or investee)	Closing balance	Aging	Reason for the uncollected amount	Whether impairment has occurred and the basis for judgment
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3) Disclosure classified by bad debt accrual methods☐Applicable ☒Not applicable**4) Information on provisions for bad debts made, recovered, or reversed in the current period**

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off or reversal	Other changes	

Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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Other notes:

5) Actual write-off of dividends receivable in the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material dividends receivable

Unit: RMB

Name of entity	Nature of amounts	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off:

Other notes:

(3) Other receivables**1) Classification of other receivables by nature**

Unit: RMB

Nature of amounts	Closing book balance	Opening book balance
Security deposits and other deposits	10,782,870.75	12,842,156.94
Export tax rebates	11,068,442.73	5,412,074.02
Non-related party receivables such as petty cash and advance payments	68,123,554.91	68,994,954.67
Receivables from disposal of long-term assets	15,000,000.00	347,423,339.77
Subtract: Provisions for bad debts	-57,899,543.17	-44,606,339.47
Total	47,075,325.22	390,066,185.93

2) Disclosure by aging

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	25,732,690.34	291,321,947.62



MLS Co., Ltd.

Full Text of 2024

1 to 2 years	11,585,048.58	82,540,746.81
2 to 3 years	17,211,779.84	36,570,407.99
Over 3 years	50,445,349.63	24,239,422.98
3 to 4 years	37,117,603.08	18,590,497.54
4 to 5 years	5,996,054.22	507,622.18
Over 5 years	7,331,692.33	5,141,303.26
Total	104,974,868.39	434,672,525.40

3) Disclosure classified by bad debt accrual methods□Applicable ☒Not applicable**4) Provisions for bad debts made, recovered or reversed in the current period**

Provisions for bad debts for the current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off or reversal	Others	
Stage I	31,623,708.77	-26,615,190.95		0.00	-3,330,938.14	1,677,579.68
Stage II	1,741,102.48	41,983,717.16		0.00	1,554,414.85	45,279,234.49
Stage III	11,241,528.22	-548,531.42		1,504,770.94	1,754,503.14	10,942,729.00
Total	44,606,339.47	14,819,994.79		1,504,770.94	-22,020.15	57,899,543.17

There were no provisions for bad debts recovered or reversed in the current period

Among which, material amounts of provisions for bad debts reversed or recovered in the current period:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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5) Actual write-off of other receivables in the current period

Unit: RMB

Item	Write-off amount
Entity A	1,504,770.94

Among which, write-off of other material receivables:

Unit: RMB

Name of entity	Nature of other receivables	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off of other receivables:

6) The top five other receivables by closing balance aggregated by debtor

Unit: RMB

Name of entity	Nature of funds	Closing balance	Aging	Proportion of the aggregate closing balance of other receivables	Closing balance of provisions for bad debts
The first	U.S. employee stabilization subsidy	36,709,430.21	Over 3 years	34.97%	36,709,430.21
The second	Receivables from disposal of long-term assets	15,000,000.00	2-3 years	14.29%	7,500,000.00



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The third	Export tax rebates receivable	11,068,442.73	Within 1 year	10.54%	553,422.13
The fourth	Litigation security deposit	5,404,727.91	1-2 years	5.15%	
The fifth	Non-related party receivables such as petty cash and advance payments	3,862,298.17	Over 3 years	3.68%	3,862,298.17
Total		72,044,899.02		68.63%	48,625,150.51

7) Reported under other receivables due to centralized fund management

Unit: RMB

Other notes:

9. Advances to supplier

(1) Presentation of advances to supplier by aging

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	113,996,045.05	94.34%	96,540,315.21	93.03%
1 to 2 years	5,548,273.35	4.59%	3,868,096.70	3.73%
2 to 3 years	1,060,288.87	0.88%	2,771,456.60	2.67%
Over 3 years	225,582.47	0.19%	597,564.05	0.58%
Total	120,830,189.74		103,777,432.56	

Notes on belated settlement of material advances to supplier aged over 1 year:

The Company has no material advances to supplier with an aging of over 1 year.

(2) Information on the top five prepayments by closing balance aggregated by prepayer

Name of entity	Balance as of December 31, 2024	Proportion of the total closing balance of advances to supplier (%)
Supplier 1	9,106,269.73	7.54
Supplier 2	8,489,120.17	7.03
Supplier 3	5,312,122.44	4.40
Supplier 4	4,837,300.51	4.00
Supplier 5	4,435,993.76	3.67
Total	32,180,806.61	26.64

Other notes:

10. Inventories

Does the Company need to comply with the disclosure requirements of the real estate industry

No



(1) Classification of inventories

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory impairment provision or provision for	Carrying value	Book balance	Inventory impairment provision or provision for	Carrying value

		impairment provisions for contract performance costs			impairment provisions for contract performance costs	
Raw materials	359,827,510.21	40,654,886.03	319,172,624.18	355,220,653.71	39,507,068.43	315,713,585.28
Work in process	285,389,015.50	1,791,135.31	283,597,880.19	262,913,290.79	7,009,252.52	255,904,038.27
Inventory goods	3,379,962,847.85	569,345,248.85	2,810,617,599.00	3,415,618,571.31	544,564,560.98	2,871,054,010.33
Total	4,025,179,373.56	611,791,270.19	3,413,388,103.37	4,033,752,515.81	591,080,881.93	3,442,671,633.88

(2) Data resources recognized as inventories

Unit: RMB

Item	Inventories of outsourced data resources	Inventories of in-house processed data resources	Inventories of data resources obtained through other means	Total
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(3) Inventory impairment provision and impairment provisions for contract performance costs

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Others	Reverse or write-off	Others	
Raw materials	39,507,068.43	13,769,685.29		12,521,859.39	100,008.30	40,654,886.03
Work in process	7,009,252.52	- 4,665,612.28		552,504.93	0.00	1,791,135.31
Inventory goods	544,564,560.98	101,085,809.48		65,320,817.99	10,984,303.62	569,345,248.85
Total	591,080,881.93	110,189,882.49		78,395,182.31	11,084,311.92	611,791,270.19

Inventory impairment provision made on a portfolio basis

Unit: RMB

Name of portfolio	End of period			Beginning of the period		
	Closing balance	Provision for impairment	Provision ratio for impairment	Opening balance	Provision for impairment	Provision ratio for impairment

Standard for inventory impairment provision made on a portfolio basis

(4) Notes on the capitalized amount of borrowing costs included in the closing balance of inventories

As of December 31, 2024, there was no capitalized amount of borrowing costs in the inventory balance of inventories.

(5) Notes on the amortization amount of contract performance costs for the current period

No amortization amount for contract performance costs was recognized in the current period.

11. Assets held for sale

Unit: RMB

Item	Closing book balance	Impairment provisions	Carrying value at the end of the period	Fair value	Estimated costs of disposal	Estimated time of disposal
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Other notes:

12. Non-current assets matured within one year

Item	Closing balance	Opening balance
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(1) Debt investments matured within one year

☐ Applicable ☒ Not applicable

(2) Other debt investments matured within one year□Applicable ☒Not applicable**13. Other current assets**

Unit: RMB

Item	Closing balance	Opening balance
VAT to be deducted	263,535,167.48	242,657,520.28
Prepaid enterprise income tax	95,435,515.60	90,531,099.83
Waste disposal fund	108,603,527.21	111,323,555.49
Insurance fund	1,100,776.61	155,542.97
Other overseas tax assets	2,368,059.34	3,837,128.81
Others	24,567,876.89	7,535,526.11
Total	495,610,923.13	456,040,373.49

Other notes:

14. Debt investments**(1) Information on debt investments**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provisions	Carrying value	Book balance	Impairment provisions	Carrying value
Certificate of deposit				31,087,152.78		31,087,152.78
Time security deposit						
Subtract: Debt investments matured within one year						
Total			0.00	31,087,152.78		31,087,152.78

Changes in impairment provisions for debt investments in the current period

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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(2) Material debt investments at the end of the period

Unit: RMB

Claim items	Closing balance					Opening balance				
	Par value	Coupon rate	Effective interest rate	Maturity date	Overdue principal	Par value	Coupon rate	Effective interest rate	Maturity date	Overdue principal

(3) Accrual of impairment provisions

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Lifetime expected credit losses (no credit impairments)	Lifetime expected credit losses (with credit impairments)	
Balance as of January 1, 2024 in the current period				

Basis for classification of each stage and provision ratio of provisions for bad debts

(4) Actual write-off of debt investments in the current period

<13> Unit: RMB

Item	Write-off amount
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Among which, write-off of material debt investments

Notes on write-off of debt investments:

No actual write-off of debt investments in the current period

Changes in book balance where the change in provision for losses in the current period is material

☐Applicable ☒Not applicable

Other notes:

15. Other debt investments

(1) Information on other debt investments

Unit: RMB

Item	Opening balance	Accrued interest	Interest adjustment	Changes in fair value in the current period	Closing balance	Cost	Accumulated changes in fair value	Accumulated impairment provisions recognized in other comprehensive income	Notes
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Changes in impairment provisions for other debt investments in the current period

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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(2) Material other debt investments at the end of the period

Unit: RMB

Other claim items	Closing balance					Opening balance				
	Par value	Coupon rate	Effective interest rate	Maturity date	Overdue principal	Par value	Coupon rate	Effective interest rate	Maturity date	Overdue principal

(3) Accrual of impairment provisions

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Lifetime expected credit losses (no credit impairments)	Lifetime expected credit losses (with credit impairments)	
Balance as of January 1, 2024 in the current period				

Basis for classification of each stage and provision ratio of provisions for bad debts

(4) Actual write-off of other debt investments in the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material other debt investments

Notes on write-off of other debt investments:

Changes in book balance where the change in provision for losses in the current period is material

☐Applicable ☒Not applicable

Other notes:

16. Other equity instrument investments

Item name	Closing balance	Opening balance	Gains recognized in other comprehensive income in	Losses recognized in other comprehensive income for	Cumulative gains recognized in other comprehensive	Cumulative losses recognized in other comprehensive	Dividend income recognized in the current	Reasons for designation as financial assets measured at
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			the current period	the current period	e income at the end of the current period	e income at the end of the current period	period	fair value through other comprehensive e income
Beyonduv (Hangzhou) Co., Ltd.	15,193,427.16	65,075,144.65		49,881,717.49		51,706,572.84		
Fujian ManewAlo T Lighting Co., Ltd.	6,001,400.00	6,001,400.00						
Zhongshan Longshan Sewage Treatment Co., Ltd.	3,186,500.00	3,186,500.00						
Mianyang Zhongye Technology Co., Ltd.	646,910.50	646,910.50						
Beijing Senshidai Lighting Co., Ltd.	26,315.79	26,315.79						
Hebei MLS Lighting Appliance Co., Ltd.	26,315.79	26,315.79						
Jilin MLS Lighting Co., Ltd.	13,157.89	13,157.89						
Kongjing Vision Intelligent Technology Co., Ltd.	1,300,000.00							
Total	26,394,027.13	74,975,744.62		49,881,717.49		51,706,572.84		

Derecognition occurred in the current period

Unit: RMB

Item name	Cumulative gains reclassified to retained earnings	Cumulative losses reclassified to retained earnings	Reason for derecognition
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Disclosures of non-trading equity instrument investments for the current period by item

Unit: RMB

Item name	vidend income recognized	Accumulated gains	Accumulated losses	Amount of other comprehensive income reclassified to retained earnings	Reasons for designation as financial assets measured at fair value through other comprehensive income	Reasons for reclassifying other comprehensive income to retained earnings
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Other notes:

17. Long-term receivables**(1) Long-term receivables**

Unit: RMB

Item	Closing balance			Opening balance			Discount rate
	Book balance	Provisions for bad debts	Carrying value	Book balance	Provisions for bad debts	Carrying value	range
Total			0.00			0.00	

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Closing balance	Opening balance
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	Book balance		Provisions for bad debts		Carrying value	Book balance		Provisions for bad debts		Carrying value
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Specifically:										
Specifically:										

Provisions for bad debts made in accordance with the general model for expected credit losses

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Lifetime expected credit losses (no credit impairments)	Lifetime expected credit losses (with credit impairments)	
Balance as of January 1, 2024 in the current period				

Basis for classification of each stage and provision ratio of provisions for bad debts

(3) Information on provisions for bad debts made, recovered, or reversed in the current period

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off or reversal	Others	

Among which, material amounts of provisions for bad debts reversed or recovered in the current period:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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Other notes:

(4) Actual write-off of long-term receivables in the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material long-term receivables:

Unit: RMB

Name of entity	Nature of amounts	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off of long-term receivables:

18. Long-term equity investments

Unit: RMB

Investee	Openin g balance (carry ng value)	Impaire nt provision s at the beginning of the period	Changes in the current period							Closing balance (carry ng value)	Impaire nt provision s at the end of the period
			Addition al investme nt	Decrease in investme nt	Profit or loss on investmen ts recognize d under the equity method	Adjustments to other comprehensi ve income	Other chang es in equity	Declarati on of cash dividends or distributi on of profits	Accrual of impairme nt provision s		
I. Joint ventures											
LEDVA NCEProsper ityCo mpany Ltd., Hongkong	6,143,7 58.05				1,453,92 7.03			1,408,50 2.32		160,7 74.95	6,349,9 57.71
Subtotal	6,143,7 58.05				1,453,92 7.03			1,408,50 2.32		160,7 74.95	6,349,9 57.71

II. Associates										
Bridgelux Optoelectronics (Xiamen) Co., Ltd.	361,955,161.40			7,180,301.52	1,466,368.73				370,601,831.65	
Globa lValu eLigh ting, LLC	172,464,399.30								-172,464,399.30	
Hunan Helilai Smart Display Technology Co., Ltd.	51,596,811.14			-447,024.66					51,149,786.48	
Dongguan Rongqi Electrical Technology Co., Ltd.			3,000,000.00	-417,397.61					2,582,602.39	
Hunan Kongjing Shijie Medical Equipment Co., Ltd.	500,000.00		1,500,000.00						2,000,000.00	
Kongjing Xuejie (Guangdong) Technology Co., Ltd.	500,000.00		600,000.00						1,100,000.00	
Subtotal	587,016,371.84		5,100,000.00	6,315,879.25	1,466,368.73				-172,464,399.30	427,434,220.52
Total	593,160,129.89		5,100,000.00	7,769,806.28	1,466,368.73		1,408,502.32		-172,303,624.35	433,784,178.23

The recoverable amount is determined at the net amount of fair value less costs of disposal

☐Applicable ☒Not applicable

The recoverable amount is determined by the present value of the estimated future cash flows

☐Applicable ☒Not applicable

Reasons for significant inconsistencies between the aforementioned information and the information used in impairment tests in previous years or external information

Reasons for significant inconsistencies between the information used in the Company's impairment test in previous years and the actual situation in the current year

Other notes:

19. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

20. Investment properties

(1) Investment properties measured at cost

☐Applicable ☒Not applicable

(2) Investment properties measured at fair value

☐Applicable ☒Not applicable

(3) Conversion to investment properties and measured at fair value



Unit: RMB

Item	Accounting item before conversion	Amount	Reason for conversion	Approval procedure	Impact on profit or loss	Impact on other comprehensive income
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(4) Information on investment properties for which property rights certificates have not been completed

Unit: RMB

Item	Carrying value	Reasons for not completing the ownership certificate
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Other notes:

21. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	4,911,546,741.17	5,087,546,661.09
Disposal of fixed assets		
Total	4,911,546,741.17	5,087,546,661.09

(1) Fixed assets

Unit: RMB

Item	Houses and buildings	Machinery and equipment	Means of transport	Office equipment and others	Total
I. Original book value:					
1. Beginning balance	2,886,476,533.33	7,662,644,829.88	14,518,346.02	646,348,208.26	11,209,987,917.49
2. Increase in the current period	16,925,165.69	648,453,539.99	1,367,013.92	56,906,007.15	723,651,726.75
(1) Purchase	5,980,490.34	618,167,492.29	1,367,013.92	17,137,576.76	642,652,573.31
(2) Transfer from construction progress	10,944,675.35	30,286,047.70		39,768,430.39	80,999,153.44
(3) Increase from business combinations					
3. Decrease in the current period	80,970,737.13	465,694,245.66	2,044,741.64	35,438,856.49	584,148,580.92
(1) Disposal or scrapping	29,632,969.25	441,089,721.13	609,008.62	27,642,858.37	498,974,557.37
(2) Transfer to construction progress		7,224,224.35			7,224,224.35
(3) Disposal of subsidiaries	51,337,767.88	17,380,300.18	1,435,733.02	7,795,998.12	77,949,799.20
Impact of fluctuation in exchange rate	-12,942,750.28	-119,181.42	13,948.42	-12,865,536.20	-25,913,519.48
4. Ending balance	2,809,488,211.61	7,845,284,942.79	13,854,566.72	654,949,822.72	11,323,577,543.84
II. Accumulated depreciation					
1. Beginning balance	979,950,735.64	4,391,528,487.58	10,918,496.98	607,924,813.67	5,990,322,533.87
2. Increase in the current period	125,334,784.33	621,322,073.45	905,756.44	31,504,134.31	779,066,748.53
(1) Provision	125,334,784.33	621,322,073.45	905,756.44	31,504,134.31	779,066,748.53

3. Decrease in the current period	32,562,249.59	356,360,015.03	1,667,765.55	29,741,547.71	420,331,577.88
(1) Disposal or scrapping	19,425,484.69	339,506,334.68	697,606.92	25,883,530.62	385,512,956.91
(2) Transfer to construction in progress		3,109,080.86			3,109,080.86
(3) Disposal of subsidiaries	13,136,764.90	13,744,599.49	970,158.63	3,858,017.09	31,709,540.11
Impact of fluctuation in exchange rate	-10,431,409.43	-94,731.62	13,948.42	-11,310,508.08	-21,822,700.71
4. Ending balance	1,062,291,860.95	4,656,395,814.38	10,170,436.29	598,376,892.19	6,327,235,003.81
III. Impairment provisions					
1. Beginning balance		128,980,631.07		3,138,091.46	132,118,722.53
2. Increase in the current period		3,490,770.68			3,490,770.68
(1) Provision		3,490,770.68			3,490,770.68
3. Decrease in the current period		50,503,289.02		305,710.56	50,808,999.58
(1) Disposal or scrapping		47,012,518.34		305,710.56	47,318,228.90
Impact of fluctuation in exchange rate				-4,694.77	-4,694.77
4. Ending balance		81,968,112.73		2,827,686.13	84,795,798.86
IV. Carrying value					
1. Ending carrying value	1,747,196,350.66	3,106,921,015.68	3,684,130.43	53,745,244.40	4,911,546,741.17
2. Beginning carrying value	1,906,525,797.69	3,142,135,711.23	3,599,849.04	35,285,303.13	5,087,546,661.09

(2) Information on temporarily idle fixed assets

Unit: RMB

Item	Original book value	Accumulated depreciation	Impairment provisions	Carrying value	Notes
Machinery and equipment	383,423,289.95	231,040,251.47	12,598,807.11	139,784,231.37	
Means of transport	206,096.60	203,799.73		2,296.87	
Office equipment and others	1,843,483.93	1,480,321.89		363,162.04	
Total	385,472,870.48	232,724,373.09	12,598,807.11	140,149,690.28	

(3) Fixed assets leased under operating leases

Unit: RMB

Item	Carrying value at the end of the period
Houses and buildings	303,193,124.18
Machinery and equipment	146,142.93
Total	303,339,267.11

(4) Information on fixed assets for which ownership certificates have not been completed

Unit: RMB

Item	Carrying value	Reasons for not completing the ownership certificate
Ji'an LED Intelligent Manufacturing Industrial Park Project	63,022,612.18	In progress
Phase III of Xinyu LED Application	57,862,698.56	In progress

Lighting Project		
Total	120,885,310.74	—

Other notes:

(5) Information on impairment testing of fixed assets☐ Applicable ☒ Not applicable**(6) Disposal of fixed assets**

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

As of December 31, 2024, the Company had no fixed assets pending disposal.

22. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	170,008,999.51	65,335,859.73
Total	170,008,999.51	65,335,859.73

(1) Information on construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provisions	Carrying value	Book balance	Impairment provisions	Carrying value
Xinyu LED Lighting Supporting Components Project	46,299,971.74		46,299,971.74	10,569,730.46		10,569,730.46
Ji'an SMD LED Packaging Construction Project	18,700,019.82		18,700,019.82	14,041,055.44		14,041,055.44
Asset installation, and equipment upgrading and renovation	92,060,355.63		92,060,355.63	16,177,530.07		16,177,530.07
Miscellaneous housing projects	3,134,612.77		3,134,612.77	15,231,677.93		15,231,677.93
Others	9,814,039.55		9,814,039.55	9,315,865.83		9,315,865.83
Total	170,008,999.51		170,008,999.51	65,335,859.73		65,335,859.73

(2) Changes in important construction in progress in the current period

Unit: RMB

Item name	Budget amount	Opening balance	Increase in the current period	Amount transferred to fixed assets in the current period	Other decreases in the current period	Closing balance	Ratio of cumulative project investment in budget (%)	Percentage of completion	Accumulated capitalization amount of interest	Including: capitalization amount of interest in the current period	Interest capitalization rate in the current period	Source of funds
Xinyu LED Lighting Supporting Components Project		10,569,730.46	42,009,015.27	6,278,773.99		46,299,971.74						



Ji'an SMD LED Packaging Construction Project		14,041,055.44	23,507,236.57	11,257,855.91	7,590,416.28	18,700,019.82						
Total		24,610,785.90	65,516,251.84	17,536,629.90	7,590,416.28	64,999,991.56						

(3) Impairment provisions for construction in progress in the current period

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason for provision
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Other notes:

(4) Information on impairment testing of construction in progress☐Applicable ☒Not applicable**(5) Project materials**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provisions	Carrying value	Book balance	Impairment provisions	Carrying value

Other notes:

23. Productive biological assets**(1) Productive biological assets measured at cost**☐Applicable ☒Not applicable**(2) Information on impairment testing of productive biological assets measured at cost**☐Applicable ☒Not applicable**(3) Productive biological assets measured at fair value**☐Applicable ☒Not applicable**24. Oil and gas assets**☐Applicable ☒Not applicable**25. Right-of-use assets****(1) Information on right-of-use assets**

Unit: RMB

Item	Land	Machinery and equipment	Office equipment and others	Total
I. Original book value				
1. Beginning balance	316,658,047.77	58,045,741.84	97,374,089.13	472,077,878.74
2. Increase in the current period	364,408,940.91	12,637,194.45	44,896,896.52	421,943,031.88
3. Decrease in the current period	155,273,389.59		27,642,170.12	182,915,559.71
Impact of fluctuation in exchange rate	-16,310,440.31	-2,757,435.96	-5,147,063.59	-24,214,939.86
4. Ending balance	509,483,158.78	67,925,500.33	109,481,751.94	686,890,411.05
II. Accumulated depreciation				
1. Beginning balance	124,649,989.96	7,245,174.34	42,515,255.80	174,410,420.10
2. Increase in the current period	157,960,433.19	10,577,511.54	35,379,880.70	203,917,825.43
(1) Provision				

3. Decrease in the current period	155,273,389.59		27,642,170.12	182,915,559.71
(1) Disposal				
Impact of fluctuation in exchange rate	-4,300,902.37	-560,510.68	-2,182,490.49	-7,043,903.54
4. Ending balance	123,036,131.19	17,262,175.20	48,070,475.89	188,368,782.28
III. Impairment provisions				
1. Beginning balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
4. Ending balance				
IV. Carrying value				
1. Ending carrying value	386,447,027.59	50,663,325.13	61,411,276.05	498,521,628.77
2. Beginning carrying value	192,008,057.81	50,800,567.50	54,858,833.33	297,667,458.64

(2) Information on impairment testing of right-of-use assets□Applicable ☒Not applicable

Other notes:

26. Intangible assets**(1) Information on intangible assets**

Unit: RMB

Item	Land use rights	Patent right	Non-patented technology	Trademarks and patents	Software and website development	Customer relationships	Total
I. Original book value							
1. Beginning balance	230,925,613.98			288,980,615.77	236,316,399.64	552,159,000.00	1,308,381,629.39
2. Increase in the current period				28,073,954.56	17,555,306.08		45,629,260.64
(1) Purchase				28,073,954.56	16,614,414.43		44,688,368.99
(2) Internal R&D							
(3) Increase from business combinations							
(4) Transfer from construction in progress					940,891.65		940,891.65
3. Decrease in the current period	15,570,983.80			10,336,573.45	4,235,863.75		30,143,421.00
(1) Disposal				10,322,108.45	4,024,897.96		14,347,006.41



(2) Other decreases	15,570,983.80			14,465.00	210,965.79		15,796,414.59
Impact of fluctuation in exchange rate				- 10,730,114.90	- 2,206,490.00		- 12,936,604.90
4. Ending balance	215,354,630.18			295,987,881.98	247,429,351.97	552,159,000.00	1,310,930,864.13
II. Accumulated amortization							
1. Beginning balance	39,693,299.22			223,032,954.50	187,680,892.17	229,089,266.99	679,496,412.88
2. Increase in the current period	4,594,225.20			14,405,145.72	5,904,626.23	38,748,000.00	63,651,997.15
(1) Provision	4,594,225.20			14,405,145.72	5,904,626.23	38,748,000.00	63,651,997.15
3. Decrease in the current period	2,616,265.52			10,333,526.12	122,771.88		13,072,563.52
(1) Disposal	2,616,265.52			10,333,526.12	122,771.88		13,072,563.52
Impact of fluctuation in exchange rate				- 9,220,458.88	- 1,198,930.58		- 10,419,389.46
4. Ending balance	41,671,258.90			217,884,115.22	192,263,815.94	267,837,266.99	719,656,457.05
III. Impairment provisions							
1. Beginning balance				121,031.68			121,031.68
2. Increase in the current period							
(1) Provision							
3. Decrease in the current period							
(1) Disposal							
Impact of fluctuation in exchange rate				-5,135.90			-5,135.90
4. Ending balance				115,895.78			115,895.78
IV. Carrying value							
1. Ending carrying value	173,683,371.28			77,987,870.98	55,165,536.03	284,321,733.01	591,158,511.30
2. Beginning carrying value	191,232,314.76			65,826,629.59	48,635,507.47	323,069,733.01	628,764,184.83

At the end of the current period, the proportion of intangible assets formed through the Company's internal R&D to the balance of intangible assets was 0.00%.

(2) Data resources recognized as intangible assets□Applicable ☒Not applicable**(3) Information on land use rights for which ownership certificates have not been completed**

Unit: RMB

Item	Carrying value	Reasons for not completing the ownership certificate
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Other notes:

As of the end of the current period, the company has no land use rights for which ownership certificates have not been completed.

(4) Information on impairment testing of intangible assets□Applicable ☒Not applicable**27. Goodwill****(1) Original book value of goodwill**

Unit: RMB

Name of the investees or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Arising from business combinations		Disposal		
Super Trend Lighting (Group) Ltd.	16,876,117.62					16,876,117.62
Harmony Mingxin (Yiwu) Optoelectronics Technology Co., Ltd.	1,742,554,304.55					1,742,554,304.55
Zhongshan MLS Precision Technology Co., Ltd.	5,611,990.31					5,611,990.31
Total	1,765,042,412.48					1,765,042,412.48

(2) Provision for goodwill impairment

Unit: RMB

Name of the investees or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision		Disposal		
Total						

(3) Information related to the asset group or portfolio of asset groups where goodwill is located

Name	Composition and basis of the asset group or asset group combination	Operating segment and its basis	Whether it is consistent with previous years
The asset group related to goodwill formed from the merger and acquisition of HARMONY MINGXIN Optoelectronics Technology (Yiwu) Co., Ltd. by MLS Co., Ltd.	Fixed assets, intangible assets, construction in progress, right-of-use assets, and long-term deferred expenses that constitute the asset group	As a single-entity group, it is independent of other entities within the company, generates cash flows independently, and is treated as an asset group as a whole	Yes

Changes in the asset group or portfolio of asset groups

Name	Composition before the change	Composition after the change	Objective facts and basis leading to the change
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Other notes

Goodwill calculation process



Item	SUPER TREND Lighting (Group) Ltd.	HARMONY MINGXIN (Yiwu) Optoelectronics Technology Co., Ltd.	Zhongshan MLS Precision Technology Co., Ltd.
Fair value of net assets on the combination date	373,304,852.97	2,257,445,695.45	1,848,009.69
Share of the fair value of identifiable net assets acquired	298,643,882.38	2,257,445,695.45	1,848,009.69
Investment for consolidation cost	315,520,000.00	4,000,000,000.00	7,460,000.00
Goodwill	16,876,117.62	1,742,554,304.55	5,611,990.31

(4) Specific methods for determining the recoverable amount

The recoverable amount is determined at the net amount of fair value less costs of disposal

☐Applicable ☒Not applicable

The recoverable amount is determined by the present value of the estimated future cash flows

☐Applicable ☒Not applicable

Reasons for significant inconsistencies between the aforementioned information and the information used in impairment tests in previous years or external information

Reasons for significant inconsistencies between the information used in the Company's impairment test in previous years and the actual situation in the current year

(5) Completion of performance commitments and corresponding goodwill impairment

A performance commitment exists at the time of goodwill recognition, and the commitment period covers the reporting period or the period immediately preceding the reporting period

☐Applicable ☒Not applicable

Other notes:

28. Long-term deferred expenses

Unit: RMB

Item	Opening balance	Increase in the current period	Amortization in the current period	Other decreases	Closing balance
Decoration and mold fees	195,350,283.80	92,030,102.72	117,157,810.66		170,222,575.86
Market development expenses	60,282,549.12	61,797,915.77	60,964,138.82	2,472,404.70	58,643,921.37
Others	10,524,952.79	2,541,066.28	11,193,292.98		1,872,726.09
Total	266,157,785.71	156,369,084.77	189,315,242.46	2,472,404.70	230,739,223.32

Other notes:

29. Deferred tax assets/deferred tax liabilities**(1) Deferred tax assets without offset**

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Asset impairment provisions	522,812,726.10	115,336,819.37	592,455,441.53	131,177,388.23
Unrealized profits from insider transactions	76,058,929.32	18,982,349.16	43,389,776.72	11,864,646.72
Deductible losses	2,470,112,851.02	534,583,215.07	2,553,871,484.39	582,349,485.14
Provision for credit impairment	993,440,640.05	219,917,797.12	921,694,509.96	187,770,269.37
Deferred income	98,496,947.89	23,198,588.20	112,738,760.70	27,857,971.69

Changes in fair value of financial assets	798,606.41	123,839.33	0.00	0.00
Other equity instruments	3,000,000.00	750,000.00	3,000,000.00	750,000.00
Lease liabilities and other payables	666,803,314.83	182,084,290.02	497,387,220.97	134,834,536.62
Pensions and similar obligations	1,117,201,342.17	305,833,867.39	1,197,954,455.62	327,940,032.20
Estimated liabilities and accrued expenses	510,994,913.38	134,837,949.24	467,088,217.39	123,933,942.74
Total	6,459,720,271.17	1,535,648,714.90	6,389,579,867.28	1,528,478,272.71

(2) Deferred tax liabilities without offset

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of financial assets	185,028,809.28	50,651,636.55	113,211,873.16	30,854,817.37
Accounts receivable	17,599,200.67	4,899,257.72	20,422,322.41	5,590,610.80
Inventories	51,163,358.34	14,005,969.34	41,030,797.76	11,232,180.88
Fixed assets and right-of-use assets	546,333,201.89	142,680,972.93	381,927,435.96	96,163,986.53
Intangible assets	320,147,859.63	81,848,231.33	329,756,631.17	92,748,065.63
Interest adjustment for short-term borrowings	780,522.96	195,130.74	16,407.84	4,101.96
Payables	4,702,419.20	1,284,194.26	5,282,101.52	1,445,975.30
Pensions and similar obligations	365,166,759.75	99,956,690.27	375,998,867.30	102,929,689.95
Total	1,490,922,131.72	395,522,083.14	1,267,646,437.12	340,969,428.42

(3) Deferred tax assets or liabilities presented on a net basis after offsetting

Unit: RMB

Item	Offset amount of deferred tax assets and liabilities at the end of the period	Ending balance of deferred tax assets or liabilities after offsetting	Amount of deferred tax assets and liabilities offset against each other at the beginning of the period	Beginning balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	298,210,240.43	1,237,438,474.47	230,671,787.52	1,297,806,485.19
Deferred tax liabilities	298,210,240.43	97,311,842.71	230,671,787.52	110,297,640.90

(4) Details of deferred tax assets not recognized

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	197,899,720.26	207,715,201.99
Deductible losses	879,785,511.94	1,129,139,515.66
Total	1,077,685,232.20	1,336,854,717.65

(5) Deductible losses of unrecognized deferred tax assets will be due in the following years

Unit: RMB

Year	Ending amount	Beginning amount	Notes
2025	23,835,527.71	31,301,640.31	
2026	37,488,211.16	49,809,262.12	
2027	29,049,826.09	55,760,448.96	
2028	170,017,007.58	992,268,164.27	
2029 and thereafter	619,394,939.40		
Total	879,785,511.94	1,129,139,515.66	

Other notes:



30. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provisions	Carrying value	Book balance	Impairment provisions	Carrying value
Estimated insurance indemnity receivable	11,845,346.44		11,845,346.44	6,997,112.25		6,997,112.25
Security deposit for operating leases	9,530,779.02		9,530,779.02	14,553,648.79		14,553,648.79
Waste disposal fund	3,297,505.87		3,297,505.87	3,253,709.59		3,253,709.59
Judicial security deposit	6,133,829.31		6,133,829.31	8,203,990.10		8,203,990.10
Employee retirement benefit fund	331,617,530.75		331,617,530.75	262,862,736.41		262,862,736.41
Prepayments for asset purchases	40,353,701.44		40,353,701.44	49,953,377.68		49,953,377.68
Others	222,013,390.14		222,013,390.14	223,957,983.54		223,957,983.54
Total	624,792,082.97		624,792,082.97	569,782,558.36		569,782,558.36

Other notes:

31. Assets with restricted ownership or use rights

Unit: RMB

Item	End of period				Beginning of the period			
	Book balance	Carrying value	Type of restriction	Circumstances of restriction	Book balance	Carrying value	Type of restriction	Circumstances of restriction
Monetary funds	524,885,264.29	524,885,264.29		Security deposits, time deposits, regulatory accounts	566,506,711.05	566,506,711.05		Security deposits, time deposits, regulatory accounts
Notes receivable					135,975.60	135,975.60		Used for borrowings and issuance of bankers' acceptance bills
Accounts receivable	46,559,669.07	46,559,669.07		Commercial bills endorsed but not yet due	30,770,281.95	30,770,281.95		Commercial bills endorsed but not yet due
Bond investment					111,323,555.49	111,323,555.49		Waste disposal funds that can only be used under specific circumstances
Other non-current assets	334,915,036.62	334,915,036.62		Employee retirement benefit funds and waste disposal funds that can only be used under specific circumstances	10,339,652.78	10,339,652.78		Used for borrowing, issuance of bankers' acceptance bills and issuance of letters of guarantee



Other current assets	108,603,527.21	108,603,527.21		Waste disposal funds that can only be used under specific circumstances	266,116,446.00	266,116,446.00		Employee retirement benefit funds and waste disposal funds that can only be used under specific circumstances
Total	1,014,963,497.19	1,014,963,497.19			985,192,622.87	985,192,622.87		

Other notes:

32. Short-term borrowings**(1) Classification of short-term borrowings**

Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings	254,565,694.14	4,108,422.01
Guaranteed borrowings	4,430,409.47	779,223.64
Credit borrowings		23,557,837.73
Total	258,996,103.61	28,445,483.38

Notes on classification of short-term borrowings:

As of December 31, 2024, the Company had no overdue and outstanding short-term borrowings.

(2) Overdue and outstanding short-term borrowings

The total amount of short-term borrowings overdue and outstanding at the end of the current period is RMB, of which the details of important overdue and outstanding short-term borrowings are as follows:

Unit: RMB

Borrower	Closing balance	Borrowing interest rate	Overdue period	Overdue interest rate
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Other notes:

33. Financial liabilities held for trading

Unit: RMB

Item	Closing balance	Opening balance
Financial liabilities held for trading	4,123,355.49	4,875,635.73
Specifically:		
Derivative financial liabilities	4,123,355.49	4,875,635.73
Specifically:		
Total	4,123,355.49	4,875,635.73

Other notes:

34. Derivative financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

35. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills		38,145,665.28
Bank acceptance bills	1,945,561,201.26	1,885,583,624.54
Letter of credit	664,744,438.21	320,107,035.21
Total	2,610,305,639.47	2,243,836,325.03

The total amount of notes payable that were due but unpaid at the end of the current period was RMB 0.00, and the reason for the non-payment was nil.

36. Accounts payable**(1) Presentation of accounts payable**

Unit: RMB

Item	Closing balance	Opening balance
Payables for materials	3,604,098,274.33	2,883,374,383.22
Payables for equipment, construction and others	944,616,663.04	1,561,183,210.12
Total	4,548,714,937.37	4,444,557,593.34

(2) Important accounts payable aged over 1 year or overdue

Unit: RMB

Item	Closing balance	Reasons for non-repayment or carry-over
Supplier A	243,000,000.00	Not yet due for settlement
Total	243,000,000.00	

Other notes:

As of December 31, 2024, there were no important accounts payable with an aging of over 1 year at the end of the period.

37. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Other payables	454,560,980.97	614,655,539.09
Total	454,560,980.97	614,655,539.09

(1) Interest payable

Unit: RMB

Item	Closing balance	Opening balance
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Important interest overdue and unpaid:

Unit: RMB

Borrower	Overdue amount	Reason for being overdue
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Other notes:

(2) Dividends payable

Unit: RMB

Item	Closing balance	Opening balance
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Other notes, including reasons for non-payment of important dividends payable overdue for more than 1 year:

(1) Other payables**1) Other payables by nature of payment**

Unit: RMB

Item	Closing balance	Opening balance
Utilities payable	6,473,692.44	30,760,877.21
Patent fees payable	40,769,074.83	40,698,651.28
Environmental protection fees payable	21,635,177.55	85,286,307.10
Transportation fees payable	38,741,370.83	28,899,368.45
Payables for customer security deposits and sales discounts	199,210,098.90	271,343,293.61
Payables for professional service fees, employee reimbursements for advances, other operating expenditures, etc.	147,731,566.42	157,667,041.44
Total	454,560,980.97	614,655,539.09

2) Important other payables with an aging of over 1 year or overdue

Unit: RMB

Item	Closing balance	Reasons for non-repayment or carry-over
Unit A	21,312,782.40	Environmental obligations have not yet

		been fully fulfilled
Total	21,312,782.40	

Other notes:

38. Advances from customers**(1) Presentation of advances from customers**

Unit: RMB

Item	Closing balance	Opening balance
Total	0.00	0.00

(2) Significant advances from customers with an aging of over 1 year or overdue

Unit: RMB

Item	Closing balance	Reasons for non-repayment or carry-over
Item	Amount of change	Reason for change

39. Contractual liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances received for sale of goods	50,848,268.30	50,050,396.37
Total	50,848,268.30	50,050,396.37

Significant contractual liabilities with an aging of over 1 year

Unit: RMB

Item	Closing balance	Reasons for non-repayment or carry-over
Item	Amount of change	Reason for change

40. Employee compensation payable**(1) Presentation of employee compensation payable**

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term remuneration	496,695,277.55	2,802,131,187.70	2,870,054,475.84	428,771,989.41
II. Post-employment benefits - defined contribution plans	1,150,875.76	154,363,156.13	154,195,333.26	1,318,698.63
III. Dismissal benefits	31,471,976.72	58,139,629.62	63,378,824.06	26,232,782.28
IV. Other benefits maturing within one year	4,033,822.19	107,563,615.48	107,664,416.09	3,933,021.58
Total	533,351,952.22	3,122,197,588.93	3,195,293,049.25	460,256,491.90

(2) Presentation of short-term compensation

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Salaries, bonuses, allowances and subsidies	409,878,171.37	2,481,057,261.61	2,551,533,037.20	339,402,395.78
2. Employee benefits	9,912.29	23,466,838.51	23,258,434.20	218,316.60
3. Social insurance premiums	38,712,665.71	253,907,328.15	252,650,606.98	39,969,386.88
Including: medical insurance premiums	36,369,926.03	247,657,157.34	246,394,720.10	37,632,363.27
Work-related injury insurance premiums	2,342,739.68	5,202,085.48	5,208,885.73	2,335,939.43

Maternity insurance premiums		1,048,085.33	1,047,001.15	1,084.18
4. Housing provident fund	808,942.94	30,394,834.38	30,281,263.29	922,514.03
5. Trade union funds and employee education expenses	1,621,176.69	9,892,980.83	10,097,164.33	1,416,993.19
6. Short-term compensated absences	42,760,513.61	3,411,944.22	1,869,939.72	44,302,518.11
7. Short-term profit-sharing plans	2,903,894.94	0.00	364,030.12	2,539,864.82
Total	496,695,277.55	2,802,131,187.70	2,870,054,475.84	428,771,989.41

(3) Presentation of defined contribution plans

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	459,496.02	84,514,710.48	84,465,621.80	508,584.70
2. Unemployment insurance premiums	14,785.77	3,039,589.26	3,036,648.83	17,726.20
3. Enterprise annuity payment	0.00	0.00	0.00	
4. Overseas defined contribution plans	676,593.97	66,808,856.39	66,693,062.63	792,387.73
Total	1,150,875.76	154,363,156.13	154,195,333.26	1,318,698.63

Other notes:

(4) Dismissal benefits

Each department and the human resources department of the Company determine recruitment or layoff plans based on staffing needs. In cases involving layoffs, upon approval by the management, dismissal benefits are paid to the dismissed employees based on their salary levels and years of service.

41. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	117,472,418.92	108,347,621.48
Enterprise income tax	211,556,609.92	215,770,203.76
Individual income tax	10,484,882.11	1,495,055.11
Urban maintenance and construction tax	2,276,223.37	1,934,858.82
Education surcharge	1,740,815.99	1,434,086.94
Property tax	15,689,640.86	19,165,998.21
Land use tax	4,867,273.39	5,884,219.35
Stamp duty	2,557,105.62	2,728,682.22
Others	11,947,685.30	14,554,709.10
Total	378,592,655.48	371,315,434.99

Other notes:

42. Liabilities held for sale

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

43. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	149,000,000.00	480,100,000.00
Lease liabilities due within one year	116,455,695.14	101,787,887.97

Interest payable on long-term borrowings	176,944.42	729,596.82
Total	265,632,639.56	582,617,484.79

Other notes:

44. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Onerous contracts	21,998,897.61	43,835,918.36
Estimated security deposit to be returned	59,206,713.61	60,587,780.37
Waste disposal responsibility	118,169,476.09	124,667,749.33
Environmental protection responsibility	590,908.11	1,940,986.47
Litigation compensation	2,749,452.26	3,287,462.73
Output tax to be carried forward	6,610,274.87	6,506,551.53
Endorsed notes not due	46,559,669.07	48,799,223.05
Others	23,749,476.57	27,627,641.60
Total	279,634,868.19	317,253,313.44

Changes in short-term bonds payable:

Unit: RMB

Bond name	Par value	Coupon rate	Date of issue	Bond term	Issuance amount	Opening balance	Issued in the current period	Accrued interest at face value	Premium/discount amortization	Repayment for the current period	Closing balance	Whether in default
Total												

Other notes:

45. Long-term borrowings**(1) Classification of long-term borrowings**

Unit: RMB

Item	Closing balance	Opening balance
Guaranteed borrowings	149,000,000.00	629,100,000.00
Interest payable on long-term borrowings	176,944.42	729,596.82
Less: long-term borrowings due within one year	-149,000,000.00	-480,100,000.00
Less: interest payable on long-term borrowings due within one year	-176,944.42	-729,596.82
Total	0.00	149,000,000.00

Notes on classification of long-term borrowings:

Note: for the guarantor and amount of the guaranteed loan, refer to Section XIV, 5. Other related-party transactions

Other notes, including the interest rate range:

46. Bonds payable**(1) Bonds payable**

Unit: RMB

Item	Closing balance	Opening balance
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(2) Changes in bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

Unit: RMB

Bond name	Par value	Coupon rate	Date of issue	Bond term	Issuance amount	Opening balance	Issued in the current period	Accrued interest at face value	Premium/discount amortization	Repayment for the current period	Closing balance	Whether in default

Total									
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(3) Notes on convertible corporate bonds**(4) Notes on other financial instruments classified as financial liabilities**

Basic information on outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Statement of changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Unit: RMB

Financial instruments outstanding	Beginning of the period		Increase in the current period		Decrease in the current period		End of period	
	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value

Notes on basis for classifying other financial instruments as financial liabilities

Other notes:

47. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease payments	604,972,941.43	330,378,387.17
Less: unrecognized financing charges	-95,733,528.67	-27,828,361.00
Less: lease liabilities due within one year	-116,455,695.14	-101,787,887.97
Total	392,783,717.62	200,762,138.20

Other notes:

48. Long-term payables

Unit: RMB

Item	Closing balance	Opening balance
Special payables	3,805,603.45	3,866,859.45
Total	3,805,603.45	3,866,859.45

(1) Long-term payables by nature of payment

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

(2) Special payables

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason for formation
Industrialization Project for Technological Transformation of High-Efficiency Energy-Saving LED Intelligent Control Green Lighting Products	3,480,000.00			3,480,000.00	Note
Party-building funds	386,859.45	17,339.00	78,595.00	325,603.45	
Total	3,866,859.45	17,339.00	78,595.00	3,805,603.45	

Other notes:

Note: in accordance with the provisions of the document YCG [2012] No. 639, the Company has received special funds for the Industrialization Project for Technological Transformation of High-Efficiency Energy-Saving LED Intelligent Control Green Lighting Products, which were allocated by the Zhongshan Municipal Finance Bureau.

49. Long-term employee compensation payable**(1) Table of long-term employee compensation payable**

Unit: RMB

Item	Closing balance	Opening balance
I. Net liabilities of defined benefit plan post-employment benefits	551,335,380.47	608,112,544.90
II. Dismissal benefits	5,455,361.19	3,014,293.67
III. Other long-term benefits	110,321,383.91	103,523,970.09
Total	667,112,125.57	714,650,808.66

(2) Changes in defined benefit plans

Present value of defined benefit plan obligation:

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
I. Beginning balance	2,598,142,622.92	2,360,473,619.13
II. Cost of defined benefits included in current profits and losses	21,367,551.45	122,459,511.07
1. Current service cost	11,458,918.89	11,194,400.00
2. Past service cost	-23,014,625.51	-490,959.77
3. Settlement gains/losses ("-" for losses)	-73,998,304.72	0.00
4. Net interest	106,921,562.79	111,756,070.84
III. Cost of defined plans included in other comprehensive income	-101,099,271.25	151,932,833.53
1. Actuarial gains ("-" for losses)	-101,099,271.25	151,932,833.53
IV. Other changes	-148,933,534.00	-36,723,340.81
1. Consideration paid on settlement	0.00	0.00
2. Benefits paid	-101,021,756.17	-98,386,539.57
3. Employee contributions	1,232,445.90	1,202,781.83
4. Employer contributions	-42,199,991.78	-37,126,926.20
5. Others	-6,944,231.95	97,587,343.13
V. Ending balance	2,369,477,369.12	2,598,142,622.92

Planned assets:

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
I. Beginning balance	1,990,030,078.02	1,825,077,517.12
II. Cost of defined benefits included in current profits and losses	84,313,715.90	89,353,026.59
1. Net interest	84,313,715.90	89,353,026.59
III. Cost of defined plans included in other comprehensive income	-28,859,801.86	99,402,776.88
1. Return on planned assets (other than those included in net interest)	-28,859,801.86	99,402,776.88
IV. Other changes	-227,342,003.41	-23,803,242.57
1. Employer contributions	23,681,874.27	368,552.60
2. Employee contributions	1,232,445.90	1,202,781.83
3. Assets used to pay benefits	-101,021,756.17	-98,386,539.57
4. Others	-151,234,567.41	73,011,962.57
V. Ending balance	1,818,141,988.65	1,990,030,078.02

Net liabilities (net assets) under defined benefit plans

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
I. Beginning balance	608,112,544.90	535,396,102.01
II. Cost of defined benefits included in	-62,946,164.45	33,106,484.48

current profits and losses		
III. Cost of defined plans included in other comprehensive income	-72,239,469.39	52,530,056.65
IV. Other changes	78,408,469.41	-12,920,098.24
V. Ending balance	551,335,380.47	608,112,544.90

Description of the content of the defined benefit plan, related risks, and impacts on the Company's future cash flows, timing and uncertainty:

Description of significant actuarial assumptions and sensitivity analysis results for the defined benefit plan:

Other notes:

50. Estimated liabilities

Unit: RMB

Item	Closing balance	Opening balance	Reason for formation
Pending litigation	10,083,114.83	11,596,846.90	Security deposit dispute arising from the shutdown of the factory in Indian, the employment contract dispute with former Indian employees, and the Mercury case reopened by a Brazilian government agency
Others	7,698,307.25	11,188,920.11	Provision for guarantee losses, obligations of the subsidiary in the U.S. for product recycling in future years and warehouse restoration after lease termination, and payment obligations arising from the shutdown of the factory in Brazil
Provision for security deposits	8,779,951.52	6,406,261.60	Accrued provisions for estimated warranty and sales returns for Dubai, Brazil, and the UK
Provisions for environment protection	7,411,257.21	7,237,146.60	Environmental protection fees accrued due to plant closures, local environment protection regulations, etc.
Restructuring-related expenditure	1,008,976.62	1,053,689.23	
Total	34,981,607.43	37,482,864.44	

Other explanations, including for important assumptions and estimates related to significant estimated liabilities:

51. Deferred income

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason for formation
Government subsidies	151,266,155.24	12,440,005.00	31,812,454.80	131,893,705.44	Receipt of fiscal appropriation
Total	151,266,155.24	12,440,005.00	31,812,454.80	131,893,705.44	--

Other notes:

52. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Litigation liability	4,797,574.37	7,401,086.84
Others	742,410.31	1,064,062.59
Total	5,539,984.68	8,465,149.43

Other notes:

53. Share capital

Unit: RMB

	Opening balance	Increase/decrease in this change (+, -)					Closing balance
		Issuance of new shares	Bonus shares	Conversion of capital reserve into share capital	Others	Subtotal	
Total number of shares	1,484,166,399.00						1,484,166,399.00

Other notes:

54. Other equity instruments

(1) Basic information on outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

(2) Statement of changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Unit: RMB

Financial instruments outstanding	Beginning of the period		Increase in the current period		Decrease in the current period		End of period	
	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value
Total		0.00						0.00

Changes in other equity instruments in the current period, explanation of the reasons for changes, and the basis for the relevant accounting treatment:

Other notes:

55. Capital reserves

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	7,392,707,664.21			7,392,707,664.21
Other capital reserves	560,972,836.83		13,476,475.22	547,496,361.61
Total	7,953,680,501.04		13,476,475.22	7,940,204,025.82

Other explanations, including the changes in the current period and reasons for changes:

Note: during the current period, the Company's purchase of minority interests resulted in a change in its capital reserves.

56. Treasury stocks

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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Other explanations, including the changes in the current period and reasons for changes:

57. Other comprehensive income

Unit: RMB

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount before income tax in the current period	Less: included in other comprehensive income in the previous period and transferred to profit and loss in the current period	Less: included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: income tax expense	Amount attributable to the parent company after tax	Amount attributable to minority shareholders after tax	

I. Other comprehensive income that cannot be reclassified into profit or loss	120,637,975.16	22,357,751.90	0.00		17,251,457.07	5,106,294.83	0.00	125,744,269.99
Including: changes in remeasurement of defined benefit plans	122,462,830.51	72,239,469.39	0.00	0.00	17,251,457.07	54,988,012.32	0.00	177,450,842.83
Other comprehensive income that cannot be transferred to profit or loss under the equity method		0.00	0.00	0.00				
Changes in fair value of other equity instrument investments	-1,824,855.35	49,881,717.49	0.00	0.00	0.00	49,881,717.49	0.00	-51,706,572.84
Changes in fair value of the enterprise's own credit risks		0.00	0.00	0.00				
		0.00	0.00	0.00				
II. Other comprehensive income for future reclassification into profit or loss	-258,136,177.17	-292,623,113.15	0.00	0.00	0.00	-292,623,113.15	0.00	-550,759,290.32
Including: other comprehensive income that can be transferred to profit or loss under the equity method	2,701,432.24	1,466,368.73	0.00	0.00	0.00	1,466,368.73	0.00	4,167,800.97
Changes in fair value of other debt investments		0.00	0.00	0.00				
Amount of financial assets reclassified and included in other comprehensive income		0.00	0.00	0.00				
Provision for credit impairment of other debt investments		0.00	0.00	0.00				
Cash flow hedging reserves		0.00	0.00	0.00				



Translation differences of foreign currency financial statements	-260,837,609.41	-294,089,481.88	0.00	0.00	0.00	-294,089,481.88	0.00	-554,927,091.29
		0.00	0.00	0.00				
Total other comprehensive income	-137,498,202.01	-270,265,361.25	0.00	0.00	17,251,457.07	-287,516,818.32		-425,015,020.33

Other explanations, including the adjustment of the initial recognition amount of the hedged item due to the transfer of the effective portion of gains and losses from cash flow hedges:

58. Specific reserves

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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Other explanations, including the changes in the current period and reasons for changes:

59. Surplus reserves

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	349,909,912.85	2,037,151.45		351,947,064.30
Total	349,909,912.85	2,037,151.45		351,947,064.30

Explanation of surplus reserves, including the changes in the current period and the reasons for changes:

Note: the Company has provided for a statutory surplus reserve of RMB 2,037,151.45 in the current period.

60. Undistributed profits

Unit: RMB

Item	Current period	Prior period
Undistributed profits at the end of the prior period before adjustments	4,006,208,323.92	3,797,844,636.62
Adjusted beginning balance of undistributed profits	4,006,208,323.92	3,797,844,636.62
Plus: net profit attributable to owners of the parent company in the current period	373,787,005.91	429,924,196.82
Less: withdrawal of statutory surplus reserves	2,037,151.45	73,143,869.62
Dividends payable for ordinary shares	1,035,948,142.53	148,416,639.90
Undistributed profits at the end of period	3,342,010,035.85	4,006,208,323.92

Details of adjustments to the beginning balance of undistributed profits:

- 1) Retrospective adjustments due to the Enterprise Accounting Standards for Business Enterprises and related new regulations affected the beginning balance of undistributed profits by RMB 0.00.
- 2) Changes in accounting policies affected the beginning balance of undistributed profits by RMB 0.00.
- 3) Correction of material accounting errors affected the beginning balance of undistributed profits by RMB 0.00.
- 4) Changes in the scope of consolidation due to business combinations under common control affected the beginning balance of undistributed profits by RMB 0.00.
- 5) Other adjustments in total affected the beginning balance of undistributed profits by RMB 0.00.

61. Operating income and operating costs

Unit: RMB

Item	Amount incurred in the current period		Amount incurred in previous period	
	Revenue	Cost	Revenue	Cost
Main business	16,415,187,651.15	11,751,073,207.66	17,186,087,199.37	12,113,749,609.79
Other business	495,080,574.37	447,503,331.17	349,588,351.14	315,255,002.59
Total	16,910,268,225.52	12,198,576,538.83	17,535,675,550.51	12,429,004,612.38

The lowest of the Company's audited total profits, net profits, and net profits after deducting non-recurring profits and losses for the most recent accounting year is a negative value

☐ Yes ☒ No

Disaggregated information on operating income and operating costs:

Unit: RMB

Contract classification	Segment 1		Segment 2				Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Business type								
Specifically:								
By operating region								
Specifically:								
Market or customer type								
Specifically:								
Contract type								
Specifically:								
By timing of goods transfer								
Specifically:								
By contract duration								
Specifically:								
By sales channel								
Specifically:								
Total								

Information related to performance obligations:

Item	Timing of satisfaction of performance obligations	Important payment terms	Nature of the goods committed to be transferred by the Company	Whether it is the primary principal	Amounts expected to be refunded to customers by the Company	Type of quality assurance provided by the Company and related obligations
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Other notes

Information related to the transaction price allocated to the remaining performance obligations:

As at the end of current reporting period, the amount of revenue corresponding to the performance obligations under signed contracts that have not yet been performed or fully performed is RMB 877,911,252.42, of which RMB 877,911,252.42 is expected to be recognized as revenue in 2025, RMB 0.00 is expected to be recognized as revenue in 2026, and RMB 0.00 is expected to be recognized as revenue in 2027.

Information related to variable consideration in contracts:



Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting treatment method	Amount of impact on revenue
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Other notes:

62. Taxes and surcharges

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Urban maintenance and construction tax	10,544,854.80	12,037,192.54
Education surcharge	10,219,795.35	11,738,809.89
Property tax	31,262,357.80	36,784,700.60
Land use tax	8,394,636.05	12,584,133.98
Stamp duty	13,010,722.80	12,612,894.54
Other additional taxes	4,609,335.11	7,094,249.70
Other overseas taxes	26,534,186.92	28,070,882.38
Total	104,575,888.83	120,922,863.63

Other notes:

Note: for details on the calculation and payment standards of major taxes and surcharges such as others, please refer to Note VI. Taxes.

63. G&A expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Salaries and wages	400,744,181.54	422,464,114.87
Depreciation and amortization, office and decoration expenses	207,886,205.61	227,745,060.35
Business entertainment expenses	7,016,117.02	6,051,322.07
Intermediary service fees	108,228,461.03	157,598,800.96
Others	97,968,966.39	111,634,975.22
Total	821,843,931.59	925,494,273.47

Other notes:

64. Sales expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Salaries and wages	1,265,620,500.62	1,431,356,779.87
Rental expenses	26,884,190.26	20,649,002.74
Intermediary service fees	141,062,386.57	103,604,716.20
Business entertainment expenses	4,272,451.07	4,864,074.91
Travel expenses	67,499,596.62	59,374,341.26
Advertising and marketing expenses	397,431,584.36	355,264,909.13
Office expenses and others	642,800,882.88	661,749,917.30
Total	2,545,571,592.38	2,636,863,741.41

Other notes:

65. R&D expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Material cost	93,380,686.60	93,261,970.34
Labor cost	199,170,953.67	183,389,304.29
Others	99,053,064.77	104,793,511.56
Total	391,604,705.04	381,444,786.19

Other notes:

66. Financial expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Interest expenses	80,384,178.22	180,989,905.56
Less: interest income	-106,441,019.16	-172,766,623.74
Net loss from foreign exchange	-17,261,359.62	-17,542,462.95
Bank handling charges and others	96,188,325.18	153,458,378.33
Total	52,870,124.62	144,139,197.20

Other notes:

67. Other income

Unit: RMB

Source of other income	Amount incurred in the current period	Amount incurred in previous period
I. Government subsidies recognized in other income	91,314,816.85	113,396,595.09
Including: government subsidies related to deferred income (related to assets)	30,463,449.62	28,413,886.16
Government subsidies related to deferred income (related to income)	1,349,005.18	1,038,396.65
Government subsidies directly recognized in profit or loss for the current period (related to income)	59,502,362.05	83,944,312.28
II. Other items related to daily activities and included in other income	54,865,656.63	25,288,172.38
Including: refund of tax handling fees	4,034,960.58	437,656.29
Total	146,180,473.48	138,684,767.47

68. Gains from net exposure hedging

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
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Other notes:

69. Gains from changes in fair value

Unit: RMB

Source of gains from changes in fair value	Amount incurred in the current period	Amount incurred in previous period
Financial assets held for trading	4,811,494.71	-784,779.77
Including: gains from changes in fair value of derivative financial instruments	4,811,494.71	-784,779.77
Financial liabilities held for trading	-765,574.12	436,981.00
Total	4,045,920.59	-347,798.77

Other notes:

70. Investment income

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Income from long-term equity investments calculated under the equity method	8,344,040.44	-17,424,706.36
Investment income from the disposal of long-term equity investments	-53,645,682.88	-60,411,165.80
Investment income from wealth management products	3,096,395.20	20,947,926.01
Others	-3,867,191.55	5,924,638.07
Total	-46,072,438.79	-62,812,584.22

Other notes:

71. Credit impairment loss

Unit: RMB		
Item	Amount incurred in the current period	Amount incurred in previous period
Loss on bad debts of notes receivable	-82,475.79	
Loss on bad debts of accounts receivable	-184,347,159.80	-96,773,788.31
Loss on bad debts of other receivables	-14,819,994.79	-21,738,260.93
Total	-199,249,630.38	-118,512,049.24

Other notes:

72. Asset impairment losses

Unit: RMB		
Item	Amount incurred in the current period	Amount incurred in previous period
I. Loss on depreciation of inventories and impairment losses on contract fulfillment costs	-110,189,882.49	-109,033,352.80
IV. Impairment losses of fixed assets	-3,490,770.68	-50,678,084.63
XII. Others	-13,637,690.71	
Total	-127,318,343.88	-159,711,437.43

Other notes:

73. Income from asset disposal

Unit: RMB		
Source of income from asset disposal	Amount incurred in the current period	Amount incurred in previous period
Gains or losses on the disposal of fixed assets, construction in progress, productive biological assets, and intangible assets not classified as held for sale	30,943,448.50	231,586,718.71
Including: fixed assets	-21,616,114.05	-135,765,898.84
Intangible assets		62,166.96
Disposal of land and buildings	52,559,562.55	367,290,450.59
Total	30,943,448.50	231,586,718.71

74. Non-operating income

Unit: RMB			
Item	Amount incurred in the current period	Amount incurred in previous period	Amount included in non-recurring profits and losses for the current period
Government subsidies	2,452.67	39,022.63	2,452.67
Gain on transfer of rights	5,722.75	257,354.11	5,722.75
Others	26,706,177.61	21,527,288.19	26,706,177.61
Total	26,714,353.03	21,823,664.93	26,714,353.03

Other notes:

The "Miscellaneous" for the current year is mainly due to the fulfillment of a new cooperation agreement with a supplier, which makes it unnecessary to fulfill some of the obligations provided for in the original agreement.

75. Non-operating expenses

Unit: RMB			
Item	Amount incurred in the current period	Amount incurred in previous period	Amount included in non-recurring profits and losses for the current period
External donations	35,000.00	47,270.00	35,000.00
Losses due to damage or scrapping of non-current assets	9,055,553.09	638,522.43	9,055,553.09
Litigation penalty and confiscation expenditure	13,416,053.82	9,203,707.98	13,416,053.82
Transaction compensation expenditure		106,346,650.00	
Others	16,571,343.26	177,713,818.23	16,571,343.26

Total	39,077,950.17	293,949,968.64	39,077,950.17
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Other notes:

76. Income tax expenses**(1) Income tax expense schedule**

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Income tax expenses for the current period	177,191,113.77	195,149,801.19
Deferred income tax expenses	44,173,989.08	8,916,443.88
Total	221,365,102.85	204,066,245.07

(2) Adjustment process of accounting profits and income tax expenses

Unit: RMB

Item	Amount incurred in the current period
Pre-tax total profits	591,391,276.61
Income tax expenses calculated at statutory/applicable tax rate	147,847,819.15
Impact of different tax rates applicable to subsidiaries	10,297,478.05
Impact of adjusting income tax in prior period	-4,124,832.88
Impact of non-taxable revenue	-6,215,476.97
Impact of non-deductible costs, expenses and losses	39,563,981.49
Impact of using deductible losses that have not been recognized as deferred tax assets in prior periods	28,661,398.69
Impact of deductible temporary differences or deductible losses that have not been recognized as deferred tax assets in the current period	73,087,060.00
Additional deduction for R&D expenses	-24,915,556.09
Changes in the beginning balance of deferred tax assets/liabilities due to tax rate adjustments	437,451.09
Others	-43,274,219.68
Income tax expenses	221,365,102.85

Other notes:

77. Other comprehensive income

For details, see Note VII, 57 Other comprehensive income.

78. Items in the cash flow statement**(1) Cash related to operating activities**

Other cash received related to operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Decrease in security deposit for bills	273,657,875.59	485,417,678.15
Interest income in financial expenses	107,020,675.35	149,323,857.01
Government subsidies received and special payables	122,957,988.11	58,529,198.34
Operating capital transactions and other items	10,311,982.21	7,009,249.07
Total	513,948,521.26	700,279,982.57

Notes on other cash received related to operating activities:

Other cash paid related to operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Sales expenses and G&A expenses paid in cash	236,914,521.87	262,330,689.78
Increase in security deposit for bills	165,179,695.19	345,121,499.05
Handling fees in financial expenses	4,471,419.73	6,936,694.15
Operating capital transactions and other	241,113,635.80	152,874,961.67

items		
Total	647,679,272.59	767,263,844.65

Notes on other cash paid related to operating activities:

(2) Cash related to investment activities

Other cash received related to investment activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Decrease in security deposit for bills		7,443,584.62
Total	0.00	7,443,584.62

Significant cash received related to investment activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
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Notes on other cash received related to investment activities:

Other cash paid related to investment activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Increase in security deposits related to the purchase and construction of long-term assets	3,493,767.10	0.00
Decrease in cash due to disposal of subsidiaries	38,142,957.36	0.00
Other cash paid for investment activities	37,741,893.78	37,933,818.72
Total	79,378,618.24	37,933,818.72

Significant cash paid related to investment activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
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Notes on other cash paid related to investment activities:

(3) Cash related to financing activities

Other cash received related to financing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Decrease in security deposit for short-term borrowings		155,822,029.46
Decrease in security deposit for finance lease		5,862,810.74
Total	0.00	161,684,840.20

Notes on other cash received related to financing activities:

Other cash paid related to financing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Increase in security deposit for short-term borrowings	63,362,966.64	
Other financing expenses	12,820,593.56	44,644,023.75
Purchase of minority interests in subsidiaries	4,500,000.00	
Lease principal and interest	137,756,193.81	169,044,583.23
Total	218,439,754.01	213,688,606.98

Notes on other cash paid related to financing activities:

Changes in liabilities arising from financing activities

☒ Applicable ☐ Not applicable

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Cash change	Non-cash change	Cash change	Non-cash change	

Short-term borrowings	28,445,483.38	5,914,469.43	249,951,620.54	25,315,469.74		258,996,103.61
Non-current liabilities due within one year	582,617,484.79		265,632,639.56	582,617,484.79		265,632,639.56
Long-term borrowings	149,000,000.00	279,100,000.00	212,939,569.42	491,862,625.00	149,176,944.42	
Lease liabilities	200,762,138.20		525,164,521.27	144,947,957.43	188,194,984.42	392,783,717.62
Total	960,825,106.37	285,014,469.43	1,253,688,350.79	1,244,743,536.96	337,371,928.84	917,412,460.79

(4) Notes on presenting cash flows on a net basis

Item	Information on related facts	Basis for presentation on a net basis	Financial impact
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(5) Significant activities and financial impacts that do not involve current cash receipts and expenditures but affect the financial position of the enterprise or may affect its future cash flows**79. Supplementary information to the cash flow statement****(1) Supplementary information to the cash flow statement**

Unit: RMB

Supplementary information	Amount for the current period	Amount for the prior period
1. Net profit adjusted to cash flows from operating activities		
Net profit	370,026,173.76	450,501,143.97
Plus: asset impairment provisions	127,318,343.88	159,711,437.43
Credit impairment losses	199,249,630.38	118,512,049.24
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	779,066,748.53	763,109,046.55
Depreciation of right-of-use assets	203,917,825.43	156,529,291.95
Amortization of intangible assets	63,651,997.15	68,165,118.01
Amortization of long-term deferred expenses	189,315,242.46	165,438,949.27
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-30,943,448.50	-231,586,718.71
Losses from write-off of fixed assets ("-" for gains)	9,055,553.09	638,522.43
Losses from changes in fair value ("-" for gains)	-4,045,920.59	347,798.77
Financial expenses ("-" for gains)	10,149,634.12	7,908,552.89
Investment loss ("-" for gains)	46,072,438.79	62,812,584.22
Decreases in deferred tax assets ("-" for increases)	56,704,791.40	-77,212,205.96
Increase in deferred tax liabilities ("-" for decreases)	-12,530,802.32	85,959,890.60
Decrease in inventories ("-" for increase)	-24,132,698.40	457,640,592.84
Decreases in operating receivables ("-" for increases)	-456,860,122.16	-445,029,897.96



Increases in operating payables ("-" for decreases)	373,477,684.14	241,540,047.25
Others	-34,640,048.02	-636,889.87
Net cash flows from operating activities	1,864,853,023.14	1,984,349,312.92
2. Significant investing and financing activities not involving cash receipts and payments		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under financing leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	3,567,905,633.13	4,106,808,772.78
Less: beginning balance of cash	4,106,808,772.78	3,075,707,780.83
Plus: ending balance of cash equivalents	0.00	0.00
Less: beginning balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	-538,903,139.65	1,031,100,991.95

(2) Net cash paid for the acquisition of subsidiaries in the current period

Unit: RMB

	Amount
Specifically:	
Specifically:	
Specifically:	

Other notes:

(3) Net cash received from the disposal of subsidiaries in the current period

Unit: RMB

	Amount
Specifically:	
Specifically:	
Specifically:	

Other notes:

(4) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	3,567,905,633.13	4,106,808,772.78
Including: cash on hand	12,999.19	443,914.55
Bank deposits available for payment at any time	3,554,335,997.81	3,868,767,978.50
Other monetary funds available for payment at any time	13,556,636.13	237,596,879.73
II. Cash equivalents	0.00	<13> 0.00

III. Ending balance of cash and cash equivalents	3,567,905,633.13	4,106,808,772.78
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(5) Circumstances where usage is restricted but still classified and presented as cash and cash equivalents

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Reasons for still classified as cash and cash equivalents
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(6) Monetary funds that are not classified as cash and cash equivalents

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Reasons for not classified as cash and cash equivalents
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Other notes:

(7) Description of other significant activities**80. Notes to Items in the Statement of Changes in Owners' Equity**

Description of the names of "Other" items for which the ending balance of the previous year was adjusted, the adjustment amounts, and other matters:

81. Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: RMB

Item	Ending balance of foreign currency	Exchange rate of conversion	Ending balance converted to RMB
Monetary funds			
Including: USD	48,053,993.35	7.1884	345,431,325.79
EUR	211,958,425.19	7.5257	1,595,135,520.45
HKD	38,349,165.56	0.926	35,512,861.28
GBP	1,202,452.00	9.0765	10,914,055.58
RUB	1,051,900,503.00	0.0661	69,530,623.25
CAD	7,936,769.00	5.0498	40,079,096.10
MXN	53,104,580.68	0.3498	18,575,964.05
CHF	8,690,928.00	7.9977	69,507,434.87
INR	369,278,099.00	0.0864	31,905,627.75
KRW	3,424,018,427.00	0.0049	16,777,690.29
BRL	9,617,607.00	1.4814	14,247,523.01
ARS	2,742,629,688.00	0.0089	24,409,404.22
JPY	1.00	0.0462	0.05
PLN	11,546,539.00	1.7597	20,318,444.68
Others			96,894,810.30
Subtotal			2,389,240,381.67
Notes receivable			
Including: EUR	2,850,089.81	7.5257	21,448,920.87
KRW	190,609,275.00	0.0049	933,985.45
TRY	29,072,510.00	0.2051	5,962,771.80
Others			
Subtotal			28,345,678.12
Accounts receivable			
Including: USD	83,849,065.68	7.1884	602,740,623.74
EUR	73,702,478.20	7.5257	554,662,740.19
HKD	48,996,131.70	0.926	45,372,377.80
GBP	2,284,038.62	9.0765	20,731,076.53
RUB	1,230,096,602.32	0.0661	81,309,385.41
MXN	115,945,160.68	0.3498	40,557,617.21
CAD	14,235,183.07	5.0498	71,884,827.47

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BRL	46,140,415.04	1.4814	68,352,410.84
TRY	125,445,870.90	0.2051	25,728,948.12
KRW	4,856,890,961.00	0.0049	23,798,765.71
PLN	21,489,809.87	1.7597	37,815,618.43
CHF	2,388,371.05	7.9977	19,101,475.15
ARS	2,087,798,009.00	0.0089	18,581,402.28
INR	356,511,739.90	0.0864	30,802,614.33
Others			184,602,551.81
Subtotal			1,826,042,435.02
Other receivables			
Including: USD	199,020.66	7.1884	1,430,640.11
EUR	5,502,770.53	7.5257	41,412,200.18
INR	88,584,045.00	0.0864	7,653,661.49
Others			1,757,719.07
Subtotal			52,254,220.85
Short-term borrowings			
Including: PLN	2,517,707.26	1.7597	4,430,409.47
Others			
Subtotal			4,430,409.47
Accounts payable			
Including: USD	84,430,019.20	7.1884	606,916,750.02
EUR	58,248,082.58	7.5257	438,357,595.08
HKD	334,126.00	0.926	309,414.04
CAD	4,077,781.00	5.0498	20,591,978.49
MXN	151,419,246.00	0.0661	10,008,812.16
PEN	5,609,672.00	1.9466	10,919,787.52
Others			44,098,503.80
Subtotal			1,131,202,841.11
Other payables			
Including: USD	9,575,658.80	7.1884	68,833,665.72
EUR	3,280,042.24	0.926	3,037,450.32
HKD	19,835,410.45	7.5257	149,275,348.42
MXN	20,387,531.00	0.3498	7,131,557.59
CHF	1,324,718.00	7.9977	10,594,697.15
INR	76,383,910.00	0.0864	6,599,569.82
ZAR	19,240,399.00	0.3844	7,396,009.38
Others			41,009,576.96
Subtotal			293,877,875.36
Long-term borrowings			
Including: USD			
EUR			
HKD			

Other notes:

(2) Description of foreign operations, including for significant foreign operations, disclosure of their principal place of business, recording currency and the basis for its selection, and the reasons for any change in the recording currency.

☐Applicable ☒Not applicable

82. Leases

(1)The Company as the lessee

☒Applicable ☐Not applicable

Variable lease payments not included in the measurement of lease liabilities



☐Applicable ☒Not applicable

Lease expenses for short-term leases or low-value assets under simplified treatment

☒Applicable ☐Not applicable

Current profit or loss and cash flows related to leases

Item	Amount for 2024
Short-term lease expenses under simplified treatment recognized in current profit or loss	9,230,565.28
Lease expenses for low-value assets under simplified treatment recognized in current profit or loss in the current period (excluding short-term leases)	104,937.13

Information on sale and leaseback transactions

(2) The Company as the lessor

Operating leases as a lessor

☒Applicable ☐Not applicable

Unit: RMB

Item	Rental revenue	Including: revenue from variable lease payments not included in lease receivable
Rental revenue	48,493,476.84	
Total	48,493,476.84	

Financing leases as a lessor

☐Applicable ☒Not applicable

Annual undiscounted lease receivable for next five years

☒Applicable ☐Not applicable

Unit: RMB

Item	Annual undiscounted lease receivable	
	Ending amount	Beginning amount
First year	29,565,086.39	
Second year	24,523,923.76	
Third year	10,550,698.99	

Reconciliation of undiscounted lease receipts to net investment in leases

(3) Recognition of gains or losses on finance lease sales as a manufacturer or dealer

☐Applicable ☒Not applicable

83. Data resources

84. Others

VIII. R&D expenditures

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Labor cost	282,930,220.89	254,824,116.91
Material cost	184,776,048.91	171,555,533.38
Depreciation and amortization expenses	41,741,256.79	39,539,231.52
Others	80,408,662.80	85,874,419.21
Total	589,856,189.39	551,793,301.02
Including: expensed R&D expenditure	589,856,189.39	551,793,301.02

1. R&D items eligible for capitalization

Unit: RMB

Item	Opening balance	Increase in the current period			Decrease in the current period			Closing balance
		Internal development expenditures	Others		Recognized as intangible assets	Transfer into current profit and loss		
Total								

Significant capitalized R&D items

Item	R&D progress	Estimated completion time	Expected method of generating economic benefits	Time point for starting capitalization	Specific basis for starting capitalization
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Impairment provisions for development expenditures

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Impairment testing
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2. Significant externally acquired R&D items

Item name	Expected method of generating economic benefits	Criteria and specific basis for capitalization or expensing
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Other notes:

IX. Changes in the scope of consolidation**1. Business combinations not under common control****(1) Business combinations not under common control that occurred in the current period**

Unit: RMB

Name of acquiree	Time point of equity acquisition	Cost of equity acquisition	Equity acquisition ratio	Way of equity acquisition	Acquisition date	Basis for determining the acquisition date	Revenue of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Cash flow of the acquiree from the acquisition date to the end of the period
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Other notes:

(2) Consolidation cost and goodwill

Unit: RMB

Consolidation cost	
--Cash	
--Fair value of non-cash assets	
--Fair value of liabilities issued or assumed	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
--Fair value of the equity held before the acquisition date on the acquisition date	
--Others	
Total consolidation cost	
Less: share of the fair value of identifiable net assets acquired	
Goodwill/amount by which the consolidation cost is less than the share of the fair value of identifiable net assets acquired	

Methods for determining the fair value of consolidation costs:

Description of contingent consideration and its changes

Main reasons for the formation of significant goodwill:



Other notes:

(3) Identifiable assets and liabilities of the acquiree at the acquisition date

Unit: RMB

	Fair value at the acquisition date	Carrying value at the acquisition date
Assets:		
Monetary funds		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Payables		
Deferred tax liabilities		
Net assets		
Less: minority equity		
Net assets acquired		

Determining method of the fair value of identifiable assets and liabilities:

Contingent liabilities of the acquiree assumed in business combinations:

Other notes:

(4) Gains or losses from the re-measurement of equity held before the acquisition date at fair value

Whether there are any step-by-step transactions through multiple transactions to achieve business combinations and obtain right of control during the reporting period

☐ Yes ☒ No**(5) Relevant explanations for the inability to reasonably determine the combination consideration or the fair value of the acquiree's identifiable assets and liabilities on the acquisition date or at the end of the current period of the combination****(6) Other notes****2. Business combinations under common control****(1) Business combinations under common control that occurred in the current period**

Unit: RMB

Name of the acquiree	Equity interest acquired in business combinations	Basis for constituting business combinations under common control	Combination date	Basis for determining the combination date	Revenue of the acquiree from the beginning of the current period to the combination date	Net profit of the acquiree from the beginning of the current period to the combination date	Revenue of the acquiree in the comparative period	Net profit of the acquiree in the comparative period
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Other notes:

(2) Consolidation cost

Consolidation cost	
--Cash	
--Carrying value of non-cash assets	



--Carrying value of liabilities issued or assumed	
--Face value of equity securities issued	
--Contingent consideration	

Description of contingent consideration and its changes

Other notes:

(3) Carrying value of the assets and liabilities of the acquiree on the combination date

Unit: RMB

	Combination date	End of the previous period
Assets:		
Monetary funds		
Accounts receivable		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Payables		
Net assets		
Less: minority equity		
Net assets acquired		

Contingent liabilities of the acquiree assumed in business combinations:

Other notes:

3. Reverse acquisition

Basic transaction information, basis for the transaction constituting a reverse acquisition, whether the assets and liabilities retained by listed companies constitute a business and the basis for this determination, determination of the consolidation cost, and the amount of equity adjustment and its calculation when accounted for as an equity transaction:

4. Disposal of subsidiaries

Whether there were any transactions or events in the current period that resulted in the loss of right of control over subsidiaries

☐ Yes ☒ No

Whether there was a situation of disposing of the investment in subsidiaries in a step-by-step manner through multiple transactions and a loss of control in the current period

☐ Yes ☒ No**5. Changes in the scope of consolidation due to other reasons**

Explain the changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related information:

1. Disposal of subsidiaries

During the current period, the Group disposed of four subsidiaries: Zhongshan Glamor Optoelectronics Technology Co., Ltd., Sichuan Kongjing Guard Intelligent Technology Co., Ltd., PENGGE Lighting (Zhongshan) Co., Ltd., and Kongjing Vision Intelligent Technology Co., Ltd.



2. Changes in the scope of consolidation due to other reasons

(1) Establishment of new subsidiaries

This year, the Group established eight new subsidiaries: Yiwu Harmony Mingxin Lighting Co., Ltd., Foshan MLS Technology Co., Ltd., MLSLATAM, S.A. DE C.V., Guangdong Kongjing Chejie Technology Co., Ltd., Guangdong Anke Electronic Technology Co., Ltd., LEDVANCE Egypt for Commercial Investment, Cairo, Egypt, LEDVANCE Japan Co., Ltd, Osaka, Japan, and LEDVANCE Vietnam Co., Ltd, Ho Chi Minh City, Vietnam.

(2) Deregistration of subsidiaries

During the period, the Group deregistered two subsidiaries: Ji'an MLS Electronics Technology Co., Ltd. and Xinyu MLS Lighting Technology Co., Ltd.

6. Others

X. Interests in other entities

1. Interests in subsidiaries

(1) Composition of the enterprise group

Unit: RMB

Name of the subsidiaries	Registered capital	Main business site	Place of registration	Nature of business	Shareholding ratio		Method of acquisition
					Direct	Indirect	
① The first-tier subsidiaries included in the scope of consolidation are listed as follows:							
Zhongshan MLS Enterprise Management Service Co., Ltd.	100,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Business service company	100.00%		Establishment
Zhongshan MLS Lighting Technology Co., Ltd.	150,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	66.67%	33.33%	Establishment
Guangdong MLS Smart Opto Co., Ltd.	110,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	100.00%		Establishment
Zhongshan MLS Lighting E-commerce Co., Ltd.	20,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	75.00%		Establishment
Zhongshan MLS Lighting Co., Ltd.	10,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	75.00%		Establishment
Zhongshan MLS General Lighting Co., Ltd.	100,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	100.00%		Establishment
Guangdong Master Light Source Lighting Co., Ltd.	50,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	100.00%		Establishment
Zhongshan MLS Electronics Co., Ltd.	2,480,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacturing company	100.00%		Establishment
Xinyu MLS Electronics Co., Ltd.	1,300,000,000.00	Xinyu City, Jiangxi Province	Xinyu City, Jiangxi Province	Manufacturing company	100.00%		Establishment
MLSLEDLIMI TED	351,101,583.52	Hong Kong	Hong Kong	Sales company	100.00%		Establishment
Zhongshan MLS Power Co., Ltd.	598,800,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacturing company	100.00%		Establishment

Harmony Mingxin (Yiwu) Optoelectronics Technology Co., Ltd.	5,826,000,000.00	Yiwu City, Zhejiang Province	Yiwu City, Zhejiang Province	Manufacturing company	100.00%		Combination not under common control
Ledvance Lighting Co., Ltd.	196,000,000.00	Foshan City, Guangdong Province	Foshan City, Guangdong Province	Manufacturing company	100.00%		Establishment
Ji'an MLS Industrial Co., Ltd.	3,960,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Sales company	83.33%	16.67%	Establishment
Shenzhen MLS Opto-Display Technology Co., Ltd.	20,000,000.00	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Sales company	51.00%		Establishment
Zhongshan Master Light Source Electronics Co., Ltd.	21,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacturing company	75.00%		Establishment
Zhongshan Zhuoman Microelectronics Co., Ltd.	62,500,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacturing company	40.00%		Establishment
MLS (Guangdong) Health Technology Co., Ltd.	20,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	51.00%		Establishment
Zhongshan MLS Optoelectronics Co., Ltd.	50,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	100.00%		Establishment
GYGAIR Co., Ltd.	100,000,000.00	Guangzhou City, Guangdong Province	Guangzhou City, Guangdong Province	Sales company	56.00%		Establishment
Ledvance Digital Technology (Shanghai) Co., Ltd.	50,000,000.00	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Sales company	55.00%		Establishment
LEDVANCE New Energy Co., Ltd.	300,000,000.00	Yiwu City, Zhejiang Province	Yiwu City, Zhejiang Province	Sales company	100.00%		Establishment
Zhongshan MLS Electric Appliance Co., Ltd.	10,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	100.00%		Establishment
Hunan MLS Machinery Co., Ltd.	50,000,000.00	Hengyang City, Hunan Province	Hengyang City, Hunan Province	Manufacturing company	60.00%		Establishment
MLS Bioengineering (Hunan) Co., Ltd.	50,000,000.00	Changsha City, Hunan Province	Changsha City, Hunan Province	Sales company	58.00%		Establishment
Sichuan ZN-MLS Opto-Bio Tech Co., Ltd.	50,000,000.00	Chengdu City, Sichuan Province	Chengdu City, Sichuan Province	Sales company	85.00%		Establishment
Fujian MLS Optoelectronics Technology Co., Ltd.	10,000,000.00	Quanzhou City, Fujian Province	Quanzhou City, Fujian Province	Sales company	51.00%		Combination not under common control
The second-tier subsidiaries included in the scope of consolidation are listed as follows:							
Zhongshan MLS Lighting Engineering Co., Ltd.	100,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacturing company	100.00%		Establishment
Zhongshan MLS Health Lighting Technology Co., Ltd.	51,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company	100.00%		Establishment
Zhongshan MLS Precision	38,000,000.00	Zhongshan	Zhongshan	Manufacturing	100.00%		Combination

Technology Co., Ltd.		City, Guangdong Province	City, Guangdong Province	company			not under common control
MLSLATAM,S.A.DEC.V.	0.00	Mexico	Mexico	Manufacturing company		100.00%	Establishment
Ji'an MLS Precision Technology Co., Ltd.	606,833,722.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Manufacturing company		100.00%	Establishment
SUPER TREND Lighting (Group) Ltd.	0.00	Hong Kong	Hong Kong	Sales company		100.00%	Combination not under common control
Yiwu MLS Opto- Biological Technology Co., Ltd.	6,000,000.00	Yiwu City, Zhejiang Province	Yiwu City, Zhejiang Province	Business service company		100.00%	Establishment
Ji'an MLS Light Source Co., Ltd.	300,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Manufacturing company		100.00%	Establishment
Ji'an MLS Optoelectronics Co., Ltd.	600,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Manufacturing company		100.00%	Establishment
Ji'an MLS Electronics Co., Ltd.	200,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Manufacturing company		100.00%	Establishment
Ji'an MLS Display Co., Ltd.	300,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Manufacturing company		100.00%	Establishment
Ji'an MLS Component Co., Ltd.	200,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Manufacturing company		100.00%	Establishment
Ji'an MLS Education Consulting Co., Ltd.	10,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Education consulting company		100.00%	Establishment
Guangdong Kongjing Public Space Safety Technology Co., Ltd.	10,000,000.00	Guangzhou City, Guangdong Province	Guangzhou City, Guangdong Province	Sales company		100.00%	Establishment
Guangdong Kongjing Visual Technology Co., Ltd.	10,000,000.00	Guangzhou City, Guangdong Province	Guangzhou City, Guangdong Province	Sales company		51.00%	Establishment
Zhongshan Master Light Source Electronic Components Co., Ltd.	5,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales company		100.00%	Establishment
Zhongshan Botech Testing Co., Ltd.	6,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Testing services		60.00%	Establishment
Hangzhou Shuzhi Chuangxiang Technology Co., Ltd.	2,000,000.00	Hangzhou City, Zhejiang Province	Hangzhou City, Zhejiang Province	Sales company		100.00%	Establishment
Ji'an MLS Electric Appliance Co., Ltd.	1,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Sales company		100.00%	Establishment
Ji'an MLS Material Co., Ltd.	1,000,000.00	Ji'an City, Jiangxi Province	Ji'an City, Jiangxi Province	Sales company		100.00%	Establishment
Yiwu Harmony Mingxin Lighting Co., Ltd.	5,000,000.00	Jinhua City, Zhejiang Province	Jinhua City, Zhejiang Province	Sales company		100.00%	Establishment
Foshan MLS Technology Co., Ltd.	10,000,000.00	Foshan City, Guangdong Province	Foshan City, Guangdong Province	Sales company		100.00%	Establishment
Guangdong Kongjing Chejie Technology Co., Ltd.	10,000,000.00	Guangzhou City, Guangdong Province	Guangzhou City, Guangdong Province	Service company		51.00%	Establishment

SUNNY WORLD (HONG KONG) GREEN LIGHTING LIMITED	0.00	Hong Kong	Hong Kong	Sales company		100.00%	Combination not under common control
Sunny World (Shaoxing) Green Lighting Co. Ltd.	7,114.00	Shaoxing City, Zhejiang Province	Shaoxing City, Zhejiang Province	Manufacturing company		100.00%	Combination not under common control
Guangdong Electronic Anke Technology Co., Ltd.	100,000,000.00	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacturing company		70.00%	Establishment

Explanation for cases where the shareholding ratio in a subsidiary differs from the ratio of voting rights:

Basis for controlling the investee while holding half or less of the voting rights, and for not controlling the investee while holding more than half of the voting rights:

Basis for control over important structured entities included in the scope of consolidation:

Basis for determining whether the Company is an agent or a principal:

Other notes:

(2) Important non-wholly-owned subsidiaries

Unit: RMB

Name of the subsidiaries	Minority shareholder shareholding ratio%	Profit or loss attributable to minority shareholder for the period	Dividends declared and distributed to minority shareholders during the current period	Ending balance of minority shareholders' equity
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Explanation for cases where the shareholding ratio of minority shareholders in a subsidiary differs from the ratio of voting rights:

Other notes:

(3) Key financial information of significant non-wholly-owned subsidiaries

Unit: RMB

Name of the subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities

Unit: RMB

Name of the subsidiaries	Amount incurred in the current period				Amount incurred in previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities

Other notes:

(4) Significant restrictions on the use of the enterprise group's assets and the settlement of the enterprise group's debts

(5) Financial support or other support provided to structured entities included in the scope of the consolidated financial statements

Other notes:

2. Transactions that change the share of owners' equity in a subsidiary but still result in control over the subsidiary

(1) Explanation on the changes in the share of owners' equity in a subsidiary

(2) Impact of the transaction on minority interests and owners' equity of the parent company



Unit: RMB

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Cost of purchase/consideration for disposal	
--Cash	
--Fair value of non-cash assets	
Total cost of purchase/consideration for disposal	
Less: share of net assets of subsidiaries calculated based on the equity ratio acquired/disposed of	
Difference	
Including: adjusted capital reserves	
Adjustment of surplus reserves	
Adjustment of undistributed profits	

Other notes:

3. Interests in joint ventures or associates

(1) Important joint ventures or associates

Name of joint ventures or associates	Main business site	Place of registration	Nature of business	Shareholding ratio		Accounting treatment method for investments in joint ventures or associates
				Direct	Indirect	
Bridgelux Optoelectronics (Xiamen) Co., Ltd.	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Manufacturing of optoelectronic devices and other electronic components	17.34%		Equity method
Hunan Helilai Smart Display Technology Co., Ltd.	Huaihua City, Hunan Province	Huaihua City, Hunan Province	Technical R&D and sales of semiconductor optoelectronic devices	49.00%		Equity method

Explanation for cases where the shareholding ratio in a joint venture or an associate differs from the ratio of voting rights:

Note 1: Bridgelux Optoelectronics (Xiamen) Co., Ltd. (formerly known as INTEMATIX Lighting (Xiamen) Co., Ltd.) includes Bridgelux Optoelectronics and its subsidiaries Shenzhen Quanjingchuang Optoelectronics Co., Ltd., Bridgelux (Wuxi) R&D Co., Ltd., Bridgelux (Wuxi) Semiconductor Co., Ltd., and Intematix Optoelectronics (Suzhou) Co., Ltd., the same below.

Basis for having significant influence while holding less than 20% of voting right, or for not having significant influence while holding 20% or more of voting right:

(2) Key financial information of significant joint ventures

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in previous period
Current assets		
Including: cash and cash equivalents		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Minority interests		
Equity attributable to shareholders of the parent company		
Share in net assets calculated according to shareholding ratio		



Adjusted matters		
--Goodwill		
Unrealized profits from insider transactions		
--Others		
Carrying value of equity investments in joint ventures		
Fair value of equity investments in joint ventures with publicly quoted prices		
Operating income		
Financial expenses		
Income tax expenses		
Net profit		
Net profit from terminated operations		
Other comprehensive income		
Total comprehensive income		
Dividends received from joint ventures during the year		

Other notes:

(3) Key financial information of significant associates

Unit: RMB

	Ending balance/amount incurred in the current period		Beginning balance/amount incurred in previous period		
	Bridgelux Optoelectronics (Xiamen) Co., Ltd.	Hunan Helilai Smart Display Technology Co., Ltd.	Bridgelux Optoelectronics (Xiamen) Co., Ltd.	GlobalValueLighting, LLC	Hunan Helilai Smart Display Technology Co., Ltd.
Current assets	1,986,871,599.12	105,666,328.94	2,002,205,481.88	465,937,034.08	124,221,183.02
Non-current assets	1,114,754,661.35	66,373,151.17	1,282,840,748.60	274,596.63	45,645,898.85
Total assets	3,101,626,260.47	172,039,480.11	3,285,046,230.48	466,211,630.71	169,867,081.87
Current liabilities	1,214,408,670.64	72,473,438.82	1,333,833,528.21	114,243,468.88	69,388,745.35
Non-current liabilities	286,937,397.31	174,640.31	401,194,495.74		174,640.31
Total liabilities	1,501,346,067.95	72,648,079.13	1,735,028,023.95	114,243,468.88	69,563,385.66
Minority interests	9,077,456.38		9,849,828.24		
Equity attributable to shareholders of the parent company	1,591,202,736.14	99,391,400.98	1,540,168,378.29	351,968,161.83	100,303,696.21
Share in net assets calculated according to shareholding ratio	275,914,554.44	48,701,786.48	267,065,196.80	172,464,399.30	49,148,811.14
Adjusted matters					
--Goodwill	94,889,964.61		94,889,964.61		
Unrealized profits from insider transactions	-202,687.40				
--Others					
Carrying value of equity investments in associates	370,601,831.65	48,701,786.48	361,955,161.41	172,464,399.30	49,148,811.14

Fair value of equity investments in associates with publicly quoted prices					
Operating income	2,159,087,169.25	46,957,267.11	2,146,370,240.41	248,141,887.06	43,606,501.99
Net profit from terminated operations	40,113,811.55	-912,295.23	-70,202,280.81	311,214,478.79	-1,494,594.84
Other comprehensive income	8,456,567.05		-4,289,972.93		
Total comprehensive income	48,570,378.60	-912,295.23	-74,492,253.74	311,214,478.79	-1,494,594.84
Dividends received from associates during the year					

Other notes:

(4) Summarized financial information of immaterial joint ventures and associates

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in previous period
Joint ventures:		
The sum of the following items calculated according to the shareholding ratio		
Associates:		
The sum of the following items calculated according to the shareholding ratio		

Other notes:

(5) Description of significant restrictions on the ability of joint ventures or associates to transfer funds to the Company**(6) Excess losses incurred by joint ventures or associates**

Unit: RMB

Name of joint ventures or associates	Cumulative unrecognized accumulated losses in previous periods	Unrecognized losses in the current period (or share of net profit in the current period)	Cumulative unrecognized losses at the end of the current period
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Other notes:

(7) Unrecognized commitments related to investments in joint ventures**(8) Contingent liabilities related to investments in joint ventures or associates****4. Important joint operations**

Name of joint operation	Main business site	Place of registration	Nature of business	Shareholding ratio/share entitled	
				Direct	Indirect

Explanation for cases where the shareholding ratio or share of interest in a joint operation differs from the ratio of voting rights:

Where a joint operation is a separate entity, the basis for its classification as a joint operation:

Other notes:

5. Interests in structured entities not included in the scope of the consolidated financial statements

Notes on structured entities not included in the scope of consolidated financial statements:

6. Others**XI. Government subsidies****1. Government subsidies recognized based on the amount receivable at the end of the reporting period**☐Applicable ☒Not applicable

Reasons for failure to receive the expected amount of government subsidies at the expected time point

☐Applicable ☒Not applicable**2. Liability items involving government subsidies**☒Applicable ☐Not applicable

Unit: RMB

Accounting title	Opening balance	New subsidies in the current period	Amount included in non-operating revenue in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/revenue
Deferred income	149,746,448.34	11,680,405.00		30,463,449.62		130,963,403.72	Related assets to
	1,519,706.90	759,600.00		1,349,005.18		930,301.72	Related revenue to
Total	151,266,155.24	12,440,005.00		31,812,454.80		131,893,705.44	—

3. Government subsidies recognized in profit or loss for the current period☒Applicable ☐Not applicable

Unit: RMB

Accounting title	Amount incurred in the current period	Amount incurred in previous period
Other income	30,463,449.62	28,413,886.16
Other income	1,349,005.18	1,038,396.65
Other income	114,368,018.68	109,232,484.66
Total	146,180,473.48	138,684,767.47

Other notes:

XII. Risks associated with financial instruments**1. Various risks arising from financial instruments**

The Company's risks related to financial instruments originate from various financial assets and financial liabilities recognized in the course of its operations, including: credit risks, liquidity risks and market risks.

The management of the Company is responsible for the systems of management objectives and policies for various risks associated with the financial instruments of the Company. The operations and management team is responsible for daily risk management through functional departments (for example, the Company's Credit Management Department reviews the Company's credit sales on a case-by-case basis). The Internal Audit Department of the Company conducts daily supervision on

the implementation of the Company's risk management policies and procedures, and reports relevant findings to the Company's Audit Committee in a timely manner.

The overall goal of the Company's risk management is to formulate risk management policies that minimize various risks associated with financial instruments, without unduly compromising the Company's competitiveness and adaptability.

1. Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to discharge an obligation, resulting in financial losses to the other party. The Company's primary credit risk exposures arise from monetary funds, notes receivable, accounts receivable, and other receivables. The credit risk of these financial assets originates from counterparty default, with the maximum exposure equal to the carrying amount of these instruments.

The Company's monetary funds are primarily deposited with commercial banks and other financial institutions. The Company considers these commercial banks to possess high creditworthiness and sound financial conditions, thereby presenting a low level of credit risk.

With respect to notes receivable, accounts receivable, and other receivables, the Company has established specific policies to control credit risk exposure. The Company assesses the creditworthiness of customers based on their financial position, availability of third-party guarantees, credit history, and other factors such as prevailing market conditions, and sets corresponding credit periods accordingly. The Company regularly monitors the credit history of its customers. For customers with adverse credit histories, the Company implements measures such as issuing written dunning notices, shortening credit periods, or canceling credit terms to ensure that the Company's overall credit risk remains within a controllable range.

The Company's maximum exposure to credit risk equals the carrying amount of each financial asset as presented in the balance sheet. The Company has not provided any other guarantees that would expose it to credit risk.

Among the Company's accounts receivable, the balances from the top five customers accounted for 32.09% of the total (comparative period: 30.95%); Among the Company's other receivables, the balances due from the top five companies accounted for 68.63% of the total (comparative period: 88.07%).

2. Liquidity risks

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company centrally manages the cash operations of its subsidiaries, including the short-term investment of cash surpluses and the securing of loans to meet anticipated cash requirements. It is the Company's policy to regularly monitor short-term and long-term liquidity needs, as well as

compliance with loan covenants, to ensure the maintenance of sufficient cash reserves and marketable securities that can be readily converted into cash.

As of December 31, 2024, the contractual maturities of the Company's financial liabilities are as follows:

Item name	December 31, 2024				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term borrowings	258,996,103.61	-	-	-	258,996,103.61
Notes payable	2,610,305,639.47	-	-	-	2,610,305,639.47
Accounts payable	4,548,714,937.37	-	-	-	4,548,714,937.37
Other payables	454,560,980.97	-	-	-	454,560,980.97
Non-current liabilities due within one year	265,632,639.56	-	-	-	265,632,639.56
Other current liabilities	279,634,868.19	-	-	-	279,634,868.19
Long-term borrowings	-	-	-	-	-
Financial liabilities measured at fair value through the current profit or loss	4,123,355.49	-	-	-	4,123,355.49
Total	8,421,968,524.66	-	-	-	8,421,968,524.66

(Continued)

Item name	December 31, 2023				
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term borrowings	28,445,483.38	-	-	-	28,445,483.38
Notes payable	2,243,836,325.03	-	-	-	2,243,836,325.03
Accounts payable	4,444,557,593.34	-	-	-	4,444,557,593.34
Other payables	614,655,539.09	-	-	-	614,655,539.09
Non-current liabilities due within one year	582,617,484.79	-	-	-	582,617,484.79
Other current liabilities	317,253,313.44	-	-	-	317,253,313.44
Long-term borrowings	-	149,000,000.00	-	-	149,000,000.00



Financial liabilities measured at fair value through the current profit or loss	4,875,635.73	-	-	-	4,875,635.73
Total	8,236,241,374.80	149,000,000.00	-	-	8,385,241,374.80

3. Market risk

(1) Foreign exchange risk

The Company's exposure to foreign exchange risk primarily arises from foreign currency-denominated assets and liabilities held by the Company and its subsidiaries that are not denominated in their respective recording currency. Foreign exchange risk refers to the risk of loss arising from changes in exchange rates. For foreign currency assets and liabilities such as monetary funds, accounts receivable and accounts payable, and short-term borrowings that are not denominated in the recording currency, if there is a short-term imbalance, the Company will buy and sell foreign currencies at market rates when necessary to ensure that the net risk exposure is maintained at an acceptable level.

① As of December 31, 2024, the main foreign exchange risk exposures of the Company's foreign currency asset and liability items are as follows (for presentation purposes, the risk exposure amounts are presented in RMB and converted at the spot exchange rate on the balance sheet date):

Item	December 31, 2024	December 31, 2023
Monetary funds	2,389,240,381.67	2,238,724,162.23
Notes receivable	28,345,678.12	47,178,580.33
Accounts receivable	1,824,874,955.94	1,914,795,494.74
Other receivables	52,254,220.85	58,627,327.94
Short-term borrowings	4,430,409.47	24,337,061.37
Accounts payable	1,131,202,841.11	1,211,360,407.13
Other payables	293,877,875.36	438,443,596.64

The Company closely monitors the impact of exchange rate movements on its risk exposure. The Company has not currently adopted any measures to hedge against exchange rate risk. However, the management is responsible for monitoring foreign exchange risk and will consider hedging significant foreign exchange risks if deemed necessary.

② Sensitivity analysis

As of December 31, 2024, assuming all other risk variables remained constant, a 10% appreciation or depreciation of the RMB against relevant foreign currencies would have resulted in a decrease or increase of RMB 265,281,598.38 in the Company's annual net profit.

(2) Interest rate risk

The Company's interest rate risk arises mainly from bank borrowings, wealth management products, etc. Floating-rate financial liabilities expose the Company to cash flow interest rate risk, while fixed-rate financial liabilities expose the Company to fair value interest rate risk. The Company determines the appropriate mix of fixed-rate and floating-rate contracts based on prevailing market conditions, and maintains this balance through periodic review and oversight.

As of December 31, 2024, assuming all other risk variables remained unchanged, an increase or decrease of 5 percentage points in the interest rate on floating-rate borrowings would have resulted in a corresponding decrease or increase of RMB 745,884.72 in the Company's net profit for the year.

2. Hedging

(1) The company engages in hedging activities for risk management purposes

☐Applicable ☒Not applicable

(2) The company engages in qualifying hedging activities and applies hedge accounting

Unit: RMB

Item	Carrying value related to hedged items and hedging instruments	Cumulative fair value hedge adjustments for the hedged item included in the carrying value of the recognized hedged item	Hedge effectiveness and source of ineffective part of hedge	Impact of hedge accounting on the Company's financial statements
Type of hedging risk				
Type of hedging				
Other notes				

(3) The Company conducts hedging business for risk management, and is expected to achieve risk management objectives but does not apply hedging accounting

☐Applicable ☒Not applicable

3. Financial assets

(1) Classification by transfer method

☐Applicable ☒Not applicable

(2) Financial assets derecognized due to transfer

☐Applicable ☒Not applicable

(3) Continued involvement in the transfer of financial assets

☐Applicable ☒Not applicable

Other notes

XIII. Disclosure of fair value

1. Ending fair value of assets and liabilities measured at fair value

Item	Ending fair value			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	



Unit: RMB

I. Continuous fair value measurements	--	--	--	--
(I) Financial assets held for trading			4,874,899.51	4,874,899.51
1. Financial assets measured at fair value through the current profit or loss			4,874,899.51	4,874,899.51
(3) Derivative financial assets			4,874,899.51	4,874,899.51
(III) Other equity instrument investments			26,394,027.13	26,394,027.13
Total assets continuously measured at fair value			31,268,926.64	31,268,926.64
(VI) Financial liabilities held for trading			4,123,355.49	4,123,355.49
Derivative financial liabilities			4,123,355.49	4,123,355.49
Total liabilities continuously measured at fair value			4,123,355.49	4,123,355.49
II. Non-continuous fair value measurement	--	--	--	--

2. Basis for determining the market price of continuous and non-continuous Level 1 fair value measurement items

The derivative financial assets under (I) financial assets held for trading and the derivative financial liabilities under (III) financial liabilities held for trading represent forward foreign exchange contracts, which are measured at fair value based on forward foreign exchange rates directly obtained from the open market.

For the bank wealth management products under (I) Financial assets held for trading, their fair value is determined based on the principal plus the expected return as of the balance sheet date, and the expected return is directly linked to the price of gold.

3. Continuous and non-continuous Level 2 fair value measurement items, valuation techniques adopted and qualitative and quantitative information of important parameters

For (II) other equity instrument investments, where the investee has not undergone any subsequent financing rounds and its operating performance remains stable and consistent with the original investment projections, the original investment cost is used as the basis for determining fair value.

4. Continuous and non-continuous Level 3 fair value measurement items, valuation techniques used and qualitative and quantitative information on important parameters

5. Continuous Level 3 fair value measurement items, reconciliation information between opening and closing carrying value and sensitivity analysis of unobservable parameters



6. For continuous fair value measurement items, if there is a transition between levels in the current period, the reasons for the transition and the policy for determining the transition time point

7. Valuation technology changes occurred in the current period and the reasons for the changes

8. Fair value of financial assets and financial liabilities not measured at fair value

9. Others

XIV. Related parties and related-party transactions

1. Parent company

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding ratio of the parent company in the Company	Voting rights ratio of the parent company in the Company
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Parent company

The ultimate controller of the Company is Mr. Sun Qinghuan, who directly holds 37.18% of the Company's equity and is the actual controller of the Company.

Other notes:

2. Subsidiaries

See Note X "Interests in other entities" for details of the subsidiaries of the Company.

3. Joint ventures and associates

See Note X "Interests in other entities" for details of the important joint ventures or associates of the Company.

Joint ventures and associates involved in the related-party transactions with the Company in the Current Period, or leading to balance due to the related party transaction they had with the Company in previous periods:

Name of joint venture or associates	Relationship with the Company
Bridgelux Optoelectronics (Xiamen) Co., Ltd.	Associates
Dongguan Rongqi Electrical Technology Co., Ltd.	Associates
Hunan Kongjing Shijie Medical Equipment Co., Ltd.	Associates
Kongjing Xuejie (Guangdong) Technology Co., Ltd.	Associates

Other notes:

4. Other related parties

Name of other related parties	Relationship between other related parties and the Company
Zhou Lihong	Director, Deputy General Manager
Zheng Mingbo	Director, Deputy General Manager
Tang Guoqing	Executive General Manager
Mi Zhe	Independent Director
Ye Lei	Independent Director
Yan Ling	Supervisor
An Hui	Supervisor

Lin Qiufeng	Supervisor
Li Guanqun	Director, Deputy General Manager, Chief Financial Officer, Secretary to the Board of Directors
Luo Yan	Director
Yan Jianguo	An executive of a subsidiary
Zhongshan Glamor Optoelectronics Technology Co., Ltd.	A former subsidiary
Zhongshan Master Light Source Optoelectronics Co., Ltd.	A company controlled by a minority shareholder of a controlled subsidiary
Foshan Jington Electronics Co., Ltd.	A company controlled by an executive of a subsidiary
Shenzhen Feishi Electronics Co., Ltd.	A company in which a relative of a subsidiary's senior management holds shares
Xingwang Yongda (Shenzhen) Technology Co., Ltd.	A company controlled by a co-investor of an associate
TAIWANSUPERTRENDLIGHTINGCO.,LTD.	A company controlled by an executive of a subsidiary
GOLDENMARTENTERPRISELIMITED	A company controlled by an executive of a subsidiary
Beyonduv (Hangzhou) Co., Ltd.	A company where a director of a listed company serves as senior management
Huaian Aoyang Shunchang Optoelectronic Technology Co., Ltd.	Former associate
GlobalValueLighting,LLC	Former associate
Fujian ManewAloT Lighting Co., Ltd.	Other related parties
Kongjing Vision Intelligent Technology Co., Ltd.	Other related parties
Jian Dai-King Technology Co., Ltd.	Other related parties
Shenzhen Lihe Zhixian Technology Co., Ltd.	Other related parties
Other related parties	All natural persons listed above, their close family members (including but not limited to spouses, parents, children, siblings, spouses of siblings, parents of spouses, siblings of spouses, spouses of children, and parents of children's spouses), as well as companies that are controlled by them, in which they hold 5% or more of the shares, or in which they serve as directors, supervisors, or senior management

Other notes:

5. Related-party transactions

(1) Related-party transactions on purchase and sale of goods, rendering and receipt of services

Purchase of goods/receipt of services

Unit: RMB

Related parties	Content of related-party transaction	Amount incurred in the current period	Approved transaction limit	Whether the transaction limit is exceeded	Amount incurred in previous period
Huaian Aoyang Shunchang Optoelectronic Technology Co., Ltd.	Purchase of materials and goods	27,477,232.76	100,000,000.00	No	40,544,985.06
Bridgelux Optoelectronics (Xiamen) Co., Ltd. and its related parties	Purchase of materials and goods	123,997,797.39	150,000,000.00	No	81,223,541.28
Beyonduv (Hangzhou) Co., Ltd.	Purchase of goods	45,132.74		No	208,718.48
Jian Dai-King Technology Co., Ltd.	Purchase of materials and equipment	0.00		No	33,628.32
Shenzhen Lihe Zhixian Technology Co., Ltd.	Purchase of materials and goods	528,095.60		No	8,585,685.18
GlobalValueLighting,LLC	Others	0.00		No	330,684,740.90
Dongguan Rongqi Electrical Technology Co., Ltd.	Purchase of materials and goods	9,069,025.31		No	0.00
Total		161,117,283.80		No	461,281,299.22

Table of goods sold/labor services provided

Related parties	Content of related-party transaction	Amount incurred in the current period	Amount incurred in previous period
Bridgelux Optoelectronics (Xiamen) Co., Ltd. and its related parties	Sales of goods	764,234,568.03	819,302,873.92

TAIWANSUPERTRENDLIGHTING CO.,LTD.	Sales of goods	4,764,154.87	6,553,080.38
GlobalValueLighting,LLC	Sales of goods	0.00	1,994,837.06
Shenzhen Lihe Zhixian Technology Co., Ltd.	Sales of goods	130,866.56	2,248,045.61
Beyonduv (Hangzhou) Co., Ltd.	Sales of goods	0.00	8,849.56
GOLDENMARTENTERPRISELIMITED	Sales of goods	2,685,527.40	3,666,923.79
Kongjing Xuejie (Guangdong) Technology Co., Ltd.	Sales of goods	216,695.80	0.00
Dongguan Rongqi Electrical Technology Co., Ltd.	Sales of goods	1,547,075.73	0.00
Kongjing Vision Intelligent Technology Co., Ltd.	Sales of goods	413,053.61	0.00
Zhongshan Glamor Optoelectronics Technology Co., Ltd.	Sales of goods	258,562.83	0.00
LEDVANCEProsperityCompanyLtd., Hongkong	Sales of goods	1,743,510.97	0.00
Total		775,994,015.80	833,774,610.32

Related-party transactions on purchase and sale of goods, rendering and receipt of services

(2) Management on commission/contract and commissioned management/contracting-out

Table of the Company's entrusted management/contracting arrangements:

Unit: RMB

Name of entrusting party/contracting-out party	Name of entrusted party/contract or	Type of entrusted/contracted assets	Start date of entrustment/contracting	Termination date of entrustment/contracting	Pricing basis of custody income/contracting income	Trust income/contracting income recognized in the current period
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Custody/contracting of related parties

Information on the entrustment management/contracting of the Company

Unit: RMB

Name of entrusting party/contracting-out party	Name of entrusted party/contract or	Type of entrusted/contracting-out assets	Starting date of entrustment/contracting-out	Termination date of entrustment/contracting-out	Pricing basis of custody fee/contracting-out fee	Custody fees/contracting-out fees recognized in the current period
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Information on the related-party management/contracting

(3) Related-party leases

The Company as the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease revenue recognized in the current period	Lease revenue recognized in the previous period
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The Company as the lessee:

Unit: RMB

Name of lessor	Type of leased assets	Rental costs for short-term leases and low-value asset leases for simplified processing (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rents		Interest expense on lease liabilities assumed		Increase in right-of-use assets	
		Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period	Amount incurred in the current period	Amount incurred in the previous period

Related-party leases

(4) Related-party guarantees

The Company as the guarantor

Unit: RMB



Guaranteed party	Guaranteed amount	Commencement date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
Zhongshan MLS Electronics Co., Ltd.	500,000,000.00	September 2, 2021	September 2, 2026	No
Ji'an MLS Electronics Co., Ltd.	120,000,000.00	October 22, 2021	October 21, 2024	Yes
Ji'an MLS Industrial Co., Ltd.	430,000,000.00	April 7, 2021	April 30, 2024	Yes
Ji'an MLS Industrial Co., Ltd.	500,000,000.00	December 1, 2021	November 30, 2024	Yes
Ji'an MLS Electronics Co., Ltd.	360,000,000.00	June 10, 2022	June 9, 2025	No
Zhongshan Glamor Optoelectronics Technology Co., Ltd.	40,500,000.00	March 5, 2022	March 4, 2025	No
Ledvance Lighting Co., Ltd.	30,000,000.00	April 10, 2023	April 9, 2024	Yes
Ledvance Lighting Co., Ltd.	30,000,000.00	July 1, 2023	June 30, 2025	No
Ji'an MLS Industrial Co., Ltd.	303,000,000.00	February 10, 2023	February 10, 2025	No
Ji'an MLS Optoelectronics Co., Ltd.	100,000,000.00	March 15, 2023	March 15, 2024	Yes
Ji'an MLS Optoelectronics Co., Ltd.	150,000,000.00	April 13, 2023	April 12, 2024	Yes
Ji'an MLS Display Co., Ltd.	50,000,000.00	February 23, 2023	February 22, 2024	Yes
Harmony Mingxin (Yiwu) Optoelectronics Technology Co., Ltd.	200,000,000.00	January 9, 2023	January 9, 2025	No
Xinyu MLS Electronics Co., Ltd.	200,000,000.00	July 19, 2023	July 18, 2024	Yes
Zhongshan MLS Lighting Co., Ltd.	50,000,000.00	September 26, 2023	October 23, 2024	Yes
Zhongshan MLS Lighting Co., Ltd.	50,000,000.00	September 26, 2023	September 25, 2024	Yes
Zhongshan MLS General Lighting Co., Ltd.	100,000,000.00	September 26, 2023	September 25, 2024	Yes
Zhongshan MLS General Lighting Co., Ltd.	100,000,000.00	October 24, 2023	October 23, 2024	Yes
Guangdong Master Light Source Lighting Co., Ltd.	20,000,000.00	October 24, 2023	October 23, 2025	No
Guangdong Master Light Source Lighting Co., Ltd.	50,000,000.00	September 25, 2023	September 25, 2024	Yes
Zhongshan MLS Electronics Co., Ltd.	350,000,000.00	September 25, 2023	September 25, 2024	Yes
Ji'an MLS Industrial Co., Ltd.	150,000,000.00	July 21, 2023	July 20, 2024	Yes
Ji'an MLS Industrial Co., Ltd.	50,000,000.00	October 13, 2023	August 15, 2024	Yes
Ji'an MLS Industrial Co., Ltd.	130,000,000.00	October 9, 2023	May 31, 2024	Yes
Ji'an MLS Optoelectronics Co., Ltd.	200,000,000.00	July 11, 2023	July 11, 2028	No
Ji'an MLS Optoelectronics Co., Ltd.	130,000,000.00	October 9, 2023	May 31, 2024	Yes
Ji'an MLS Optoelectronics Co., Ltd.	150,000,000.00	November 24, 2023	June 24, 2024	Yes
Ji'an MLS Optoelectronics Co., Ltd.	200,000,000.00	November 20, 2023	November 19, 2025	No



Ji'an MLS Electronics Co., Ltd.	50,000,000.00	November 20, 2023	November 19, 2025	No
Zhongshan Master Light Source Electronics Co., Ltd.	50,000,000.00	October 25, 2023	October 23, 2024	Yes
Zhongshan Master Light Source Electronics Co., Ltd.	10,000,000.00	October 25, 2023	October 24, 2024	Yes
Zhongshan Zhuoman Microelectronics Co., Ltd.	3,000,000.00	October 25, 2023	October 24, 2024	Yes
Zhongshan MLS Electronics Co., Ltd.	267,000,000.00	October 25, 2023	October 24, 2024	Yes
Zhongshan Zhuoman Microelectronics Co., Ltd.	8,000,000.00	November 29, 2023	November 6, 2024	Yes
Ji'an MLS Industrial Co., Ltd.	100,000,000.00	November 20, 2023	November 19, 2025	No
Zhongshan Zhuoman Microelectronics Co., Ltd.	10,000,000.00	December 22, 2023	December 21, 2024	Yes
Ji'an MLS Optoelectronics Co., Ltd.	100,000,000.00	April 17, 2024	April 16, 2025	No
Zhongshan MLS Electronics Co., Ltd.	200,000,000.00	January 15, 2024	January 8, 2025	No
Zhongshan Master Light Source Electronics Co., Ltd.	10,000,000.00	January 15, 2024	January 8, 2025	No
Zhongshan MLS Electronics Co., Ltd.	200,000,000.00	June 5, 2024	June 5, 2031	No
Shenzhen MLS Opto-Display Technology Co., Ltd.	30,000,000.00	June 5, 2024	June 5, 2031	No
Zhongshan Master Light Source Electronics Co., Ltd.	20,000,000.00	June 5, 2024	June 5, 2031	No
Ledvance Lighting Co., Ltd.	50,000,000.00	March 11, 2024	September 25, 2024	Yes
Ledvance Lighting Co., Ltd.	50,000,000.00	November 29, 2023	November 6, 2024	Yes
Ji'an MLS Optoelectronics Co., Ltd.	100,000,000.00	August 27, 2024	August 27, 2025	No
Ji'an MLS Optoelectronics Co., Ltd.	350,000,000.00	September 6, 2024	September 5, 2025	No
Xinyu MLS Electronics Co., Ltd.	150,000,000.00	September 4, 2024	September 3, 2025	No
Harmony Mingxin (Yiwu) Optoelectronics Technology Co., Ltd.	200,000,000.00	January 10, 2025	January 10, 2028	No
LEDVANCE New Energy Co., Ltd.	100,000,000.00	December 2, 2024	January 10, 2028	No
Zhongshan MLS Lighting Co., Ltd.	100,000,000.00	November 22, 2024	November 21, 2025	No
Zhongshan MLS General Lighting Co., Ltd.	100,000,000.00	November 29, 2024	November 21, 2026	No
Zhongshan Zhuoman Microelectronics Co., Ltd.	50,000,000.00	November 22, 2024	November 21, 2025	No
Zhongshan Master Light Source Electronics Co., Ltd.	100,000,000.00	November 22, 2024	November 21, 2026	No
Zhongshan MLS Lighting Co., Ltd.	50,000,000.00	October 14, 2024	October 13, 2025	No



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Zhongshan MLS General Lighting Co., Ltd.	100,000,000.00	October 14, 2024	October 13, 2025	No
Guangdong Master Light Source Lighting Co., Ltd.	50,000,000.00	October 14, 2024	October 13, 2025	No
Ledvance Lighting Co., Ltd.	50,000,000.00	October 14, 2024	October 13, 2025	No
Zhongshan MLS Electronics Co., Ltd.	350,000,000.00	October 14, 2024	October 13, 2025	No
Ji'an MLS Optoelectronics Co., Ltd.	150,000,000.00	April 11, 2024	October 10, 2025	No
Ji'an MLS Optoelectronics Co., Ltd.	13,000,000.00	August 28, 2024	May 31, 2025	No
Ji'an MLS Optoelectronics Co., Ltd.	150,000,000.00	December 16, 2024	November 16, 2025	No

The Company as the guaranteed party

Unit: RMB

Guarantor	Guaranteed amount	Commencement date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
Sun Qinghuan, Luo Ping	727,000,000.00	February 21, 2017	January 21, 2024	Yes
Sun Qinghuan, Luo Ping	500,000,000.00	June 1, 2019	December 31, 2024	Yes
Sun Qinghuan, Luo Ping	200,000,000.00	May 1, 2020	December 30, 2025	No
Sun Qinghuan, Luo Ping	300,000,000.00	May 1, 2020	December 31, 2030	No
Sun Qinghuan, Luo Ping	600,000,000.00	January 8, 2021	January 7, 2024	Yes
Sun Qinghuan, Luo Ping	600,000,000.00	September 2, 2021	September 2, 2026	No
Sun Qinghuan, Luo Ping	500,000,000.00	September 2, 2021	September 2, 2026	No
Sun Qinghuan, Luo Ping	430,000,000.00	January 4, 2022	January 5, 2025	No
Sun Qinghuan, Luo Ping	1,320,000,000.00	March 18, 2022	March 17, 2025	No
Sun Qinghuan, Luo Ping	200,000,000.00	July 28, 2022	July 28, 2025	No
Sun Qinghuan	100,000,000.00	March 15, 2023	March 15, 2024	Yes
Luo Ping	100,000,000.00	March 15, 2023	March 15, 2024	Yes
MLS Co., Ltd., Sun Qinghuan, Luo Ping	200,000,000.00	July 19, 2023	July 18, 2024	Yes
Sun Qinghuan	400,000,000.00	September 26, 2023	September 25, 2024	Yes
Sun Qinghuan	50,000,000.00	September 26, 2023	September 25, 2024	Yes
Sun Qinghuan	100,000,000.00	September 26, 2023	September 25, 2024	Yes
Sun Qinghuan	50,000,000.00	September 25, 2023	September 25, 2024	Yes
Sun Qinghuan	350,000,000.00	September 25, 2023	September 25, 2024	Yes
Sun Qinghuan	200,000,000.00	July 11, 2023	July 11, 2028	No
Luo Ping	200,000,000.00	July 11, 2023	July 11, 2028	No
Sun Qinghuan, Luo Ping	200,000,000.00	October 25, 2023	October 24, 2024	Yes
Sun Qinghuan, Luo Ping	3,000,000.00	October 25, 2023	October 24, 2024	Yes
Sun Qinghuan	975,000,000.00	January 9, 2024	January 8, 2025	No
Luo Ping	975,000,000.00	January 9, 2024	January 8, 2025	No
Sun Qinghuan, Luo Ping	500,000,000.00	June 5, 2024	June 5, 2031	No
Sun Qinghuan	50,000,000.00	March 11, 2024	September 25, 2024	Yes
MLS Co., Ltd., Sun Qinghuan, Luo Ping	150,000,000.00	September 4, 2024	September 3, 2025	No

Notes to related guarantees

(5) Related-party fund lending

Unit: RMB

Related parties	Amount borrowed	Start date	Maturity date	Description
Borrowing from				
Lending to				

(6) Asset transfer and debt restructuring of related parties

Unit: RMB

Related parties	Content of related-party transaction	Amount incurred in the current period	Amount incurred in previous period
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(7) Remuneration of key management personnel

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Remuneration of key management personnel	6,883,642.00	4,667,700.00

(8) Other related-party transactions**6. Receivables from and payables to related parties****(1) Receivables**

Unit: RMB

Item name	Related parties	Closing balance		Opening balance	
		Book balance	Provisions for bad debts	Book balance	Provisions for bad debts
Accounts receivable	Bridgelux Optoelectronics (Xiamen) Co., Ltd. and its related parties	257,376,939.88	12,899,660.73	223,865,678.87	11,193,283.94
Accounts receivable	Shenzhen Feishi Electronics Co., Ltd.	30,843,509.49	30,843,509.49	30,843,509.49	30,843,509.49
Accounts receivable	GOLDENMARTEN TERPRISELIMITE D	25,380,023.18	25,380,023.18	22,333,143.60	22,333,143.60
Accounts receivable	Xingwang Yongda (Shenzhen) Technology Co., Ltd.	18,215,278.14	18,215,278.14	18,215,278.14	18,215,278.14
Accounts receivable	Zhongshan Master Light Source Optoelectronics Co., Ltd.	0.00	0.00	15,344,334.92	7,672,167.46
Accounts receivable	TAIWANSUPERTR ENDLIGHTING CO., LTD.	12,860,014.90	10,749,032.68	10,522,963.15	10,483,578.51
Accounts receivable	Global Value Lighting, LLC	0.00	0.00	67,311,419.69	65,720,116.90
Accounts receivable	Dongguan Rongqi Electrical Technology Co., Ltd.	1,748,195.62	87,409.78	0.00	0.00
Accounts receivable	Zhongshan Glamor Optoelectronics Technology Co., Ltd.	156,882.40	7,844.12	0.00	0.00
Accounts receivable	LEDVANCE Prosperity Company Ltd., Hong Kong	285,480.67	0.00	0.00	0.00
Notes receivable	Bridgelux Optoelectronics (Xiamen) Co., Ltd. and its related parties	53,557,749.69	0.00	45,418,062.76	0.00
Prepayments	Beyonduv (Hangzhou) Co., Ltd.	1,295,158.12	0.00	1,366,918.00	0.00
Prepayments	Shenzhen Lihe Zhixian Technology Co., Ltd.	12,574.75	0.00	0.00	0.00
Other receivables	Jian Dai-King Technology Co., Ltd.	0.00	0.00	2,276,804.37	0.00
Other receivables	Shenzhen Lihe Zhixian Technology Co., Ltd.	0.00	0.00	68,640.00	3,432.00
Other receivables	Kongjing Vision Intelligent Technology Co., Ltd.	5,038.00	251.90	0.00	0.00
Other receivables	Hunan Kongjing Shijie Medical Equipment Co., Ltd.	200,000.00	10,000.00	0.00	0.00

(2) Payables

Unit: RMB

Item name	Related parties	Closing book balance	Opening book balance
Accounts payable	Huaian Aoyang Shunchang Optoelectronic Technology Co., Ltd.	15,409,121.92	16,415,012.18
Accounts payable	Bridgelux Optoelectronics (Xiamen) Co., Ltd. and its related parties	49,814,363.00	28,630,105.97
Accounts payable	Shenzhen Lihe Zhixian Technology Co., Ltd.	0.00	62,742.35
Accounts payable	Dongguan Rongqi Electrical Technology Co., Ltd.	2,778,253.31	0.00
Accounts payable	Kongjing Vision Intelligent Technology Co., Ltd.	9,403.69	0.00
Accounts payable	Global Value Lighting, LLC	0.00	330,684,740.90
Notes payable	Bridgelux Optoelectronics (Xiamen) Co., Ltd. and its related parties	7,181,204.54	7,462,149.98
Notes payable	Huaian Aoyang Shunchang Optoelectronic Technology Co., Ltd.	0.00	5,540,587.11
Contractual liabilities	Shenzhen Lihe Zhixian Technology Co., Ltd.	308,681.19	43,194.47
Contractual liabilities	Kongjing Xuejie (Guangdong) Technology Co., Ltd.	77,072.28	0.00
Other current liabilities	Shenzhen Lihe Zhixian Technology Co., Ltd.	40,128.56	5,615.28
Other current liabilities	Kongjing Xuejie (Guangdong) Technology Co., Ltd.	10,019.40	0.00

7. Related party commitments**8. Others****XV. Share-based payments****1. Overall situation of share-based payments**
☐ Applicable ☒ Not applicable
2. Equity-settled share-based payments
☐ Applicable ☒ Not applicable
3. Share-based payments settled by cash
☐ Applicable ☒ Not applicable
4. Share-based payments expenses in this period
☐ Applicable ☒ Not applicable
5. Modification and termination of share-based payment

6. Others

XVI. Commitments and Contingencies

1. Significant commitments

Significant commitments on the balance sheet date

(1) Capital commitments

Unit: RMB 10,000

Contracted capital commitments not yet recognized in the financial statements	December 31, 2024	December 31, 2023
Commitment to purchase and construct long-term assets	30,949.26	29,775.29
Large amount contract	146,248.29	245,740.93
Transportation services	-	350.40

2. Contingencies

(1) Significant contingencies existing on the balance sheet date

As of December 31, 2024, the Company has no significant contingencies that require disclosure.

(2) Notes shall be given even if there were no significant contingencies required to be disclosed by the Company

The Company has no significant contingencies required to be disclosed.

3. Other

XVII. Post-balance sheet events

1. Important non-adjusting matters

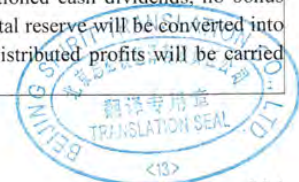
Unit: RMB

Item	Content	Impact number on financial position and operating results	Reasons why the impact number cannot be estimated
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2. Profit distribution

Profit distribution plan	On April 24, 2025, the Company's profit distribution plan was approved by the Board of Directors. Based on the total share capital of 1,484,166,399.00 shares at that time, a cash dividend of RMB 0.50 (inclusive of tax) will be distributed for every 10 shares. Apart from the aforementioned cash dividends, no bonus shares will be issued, and no capital reserve will be converted into share capital. The remaining undistributed profits will be carried forward to subsequent years.
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3. Sales return



4. Notes to other subsequent events after the balance sheet date

As of April 24, 2025 (the date of approval of the report by the Board of Directors), the Company had no post-balance sheet events required to be disclosed.

XVIII. Other significant matters

1. Correction of accounting errors in the previous period

(1) Retrospective restatement method

Unit: RMB

Contents of correction of accounting errors	Processing procedure	Names of statement items affected of comparative periods	Cumulative impact
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(2) Prospective application method

Contents of correction of accounting errors	Approval procedure	Reasons for adopting the prospective application method
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2. Debt restructuring

3. Asset replacement

(1) Exchange of non-monetary assets

(2) Replacement of other assets

4. Annuity plan

5. Discontinued operations

Unit: RMB

Item	Revenue	Expenses	Pre-tax total profits	Income tax expenses	Net profit	Profit from discontinued operations attributable to owners of the parent company
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Other notes:

6. Segment information

(1) Determination basis and accounting policies of reporting segments

(2) Financial information of reporting segments

Unit: RMB

Item	Inter-segment offset	Total
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(3) If the Company has no reporting segments, or cannot disclose the total assets and total liabilities of each reporting segment, it shall explain the reasons

(4) Other notes

- (1) Other segment information
 - Revenue from external sales of products and services



Item	Year 2024		Year 2023	
	Revenue from main business	Main business cost	Revenue from main business	Main business cost
LEDVANCE	9,647,192,068.82	5,697,643,238.53	10,606,319,160.30	6,544,861,462.26
MLS	6,767,995,582.33	6,053,429,969.13	6,579,768,039.07	5,568,888,147.53
Total	16,415,187,651.15	11,751,073,207.66	17,186,087,199.37	12,113,749,609.79

• Regional information

Name of region	Year 2024		Year 2023	
	Revenue from main business	Main business cost	Revenue from main business	Main business cost
Domestic	6,409,658,985.02	5,860,938,855.32	6,164,057,314.35	5,348,467,694.64
Overseas	10,005,528,666.13	5,890,134,352.34	11,022,029,885.02	6,765,281,915.15
Total	16,415,187,651.15	11,751,073,207.66	17,186,087,199.37	12,113,749,609.79

• Dependence on major customers

Information on operating income from the top five customers:

Year	Sales amount (RMB 10,000)	Percentage of revenue from main business (%)
Year 2024	362,852.11	22.10

7. Other important transactions and events that affect the decision-making of investors

8. Others

XIX. Notes to the main items of the parent company's financial statements

1. Accounts receivable

(1) Disclosed by aging

Unit: RMB

Aging	Closing book balance		Opening book balance	
Within 1 year (inclusive)	1,011,198,118.02		1,185,963,167.95	
1 to 2 years	136,450,879.30		114,212,293.12	
2 to 3 years	42,039,226.61		101,044,229.04	
Over 3 years	78,228,659.59		3,661,323.58	
3 to 4 years	74,524,948.46		1,898.16	
4 to 5 years	1,926.49		160,394.25	
Over 5 years	3,701,784.64		3,499,031.17	
Total	1,267,916,883.52		1,404,881,013.69	

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provisions for bad debts		Carrying value	Book balance		Provisions for bad debts		Carrying value
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	

Accounts receivable with provisions for bad debts made on an individual basis	390,301,030.35	30.78%	261,390,251.25	66.97%	128,910,779.10	485,776,764.61	34.58%	204,776,167.20	42.15%	281,000,597.41
Specifically:										
Accounts receivable with provisions for bad debts made on a portfolio basis	877,615,853.17	69.22%	58,616,985.11	6.68%	818,998,868.06	919,104,249.08	65.42%	58,738,879.80	6.39%	860,365,369.28
Specifically:										
Aging portfolio	766,772,249.95	60.47%	58,616,985.11	7.64%	708,155,264.84	768,274,774.91	54.69%	58,738,879.80	7.65%	709,535,895.11
Portfolio of companies within the scope of consolidation	110,843,603.22	8.74%	0.00	0.00%	110,843,603.22	150,829,474.17	10.74%	0.00		150,829,474.17
Total	1,267,916,883.52	100.00%	320,007,236.36	25.24%	947,909,647.16	1,404,881,013.69	100.00%	263,515,047.00	18.76%	1,141,365,966.69

Provision for bad debts on an individual basis: As of December 31, 2024, provision for bad debts on an individual basis

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provisions for bad debts	Book balance	Provisions for bad debts	Provision ratio	Reason for provision
Unit 1	205,325,903.84	95,426,525.67	220,059,936.41	103,003,311.91	46.81%	Lack of solvency by the debtor
Unit 2	272,074,212.52	105,606,729.51	164,037,105.69	154,714,693.05	94.32%	Lack of solvency by the debtor
Unit 3	4,877,617.08	243,880.85	2,664,991.54	133,249.58	5.00%	Lack of solvency by the debtor
Unit 4	1,802,663.16	1,802,663.16	1,829,565.55	1,829,565.55	100.00%	Lack of solvency by the debtor
Unit 5	875,329.93	875,329.93	888,393.08	888,393.08	100.00%	Lack of solvency by the debtor
Other entities	821,038.08	821,038.08	821,038.08	821,038.08	100.00%	Lack of solvency by the debtor
Total	485,776,764.61	204,776,167.20	390,301,030.35	261,390,251.25		

Provisions for bad debts on an individual basis: As of December 31, 2023, accounts receivable for which provisions for bad debts are made on an individual basis

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Provisions for bad debts	Book balance	Provisions for bad debts	Provision ratio	Reason for provision
Unit 1			272,074,212.52	105,606,729.51	38.82%	Lack of solvency by the debtor
Unit 2			205,325,903.84	95,426,525.67	46.48%	Lack of solvency by the debtor
Unit 3			4,877,617.08	243,880.85	5.00%	Lack of solvency by the debtor
Unit 4	1,772,604.78	1,772,604.78	1,802,663.16	1,802,663.16	100.00%	Lack of solvency by the debtor

Unit 5	860,734.30	860,734.30	875,329.93	875,329.93	100.00%	Lack of solvency by the debtor
Other entities	4,084,208.94	4,084,208.94	821,038.08	821,038.08	100.00%	Lack of solvency by the debtor
Total	6,717,548.02	6,717,548.02	485,776,764.61	204,776,167.20		

Provision for bad debts on a portfolio basis: As of December 31, 2024, accounts receivable with provision for bad debts based on aging portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio
Within 1 year	716,542,162.86	35,827,108.17	5.00%
1-2 years	8,025,746.06	1,605,149.21	20.00%
2-3 years	42,039,226.61	21,019,613.31	50.00%
Over 3 years	165,114.42	165,114.42	100.00%
Total	766,772,249.95	58,616,985.11	

The basis for determining the portfolio:

Provision for bad debts on a portfolio basis: As of December 31, 2024, accounts receivable with provision for bad debts based on another portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio
Portfolio of related parties within the scope of consolidation	110,843,603.22		
Total	110,843,603.22		

The basis for determining the portfolio:

Provisions for bad debts on a portfolio basis: As of December 31, 2023, accounts receivable for which provisions for bad debts are made based on aging portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio
Within 1 year	686,086,391.21	34,304,319.61	5.00%
1-2 years	55,802,592.87	11,160,518.57	20.00%
2-3 years	26,223,498.42	13,111,749.21	50.00%
Over 3 years	162,292.41	162,292.41	100.00%
Total	768,274,774.91	58,738,879.80	

The basis for determining the portfolio:

Provision for bad debts on a portfolio basis: As of December 31, 2023, accounts receivable with provision for bad debts based on another portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provisions for bad debts	Provision ratio
Portfolio of related parties within the scope of consolidation	150,829,474.17		
Total	150,829,474.17		

The basis for determining the portfolio:

If the provision for bad debts of accounts receivable is recognized based on the general model for expected credit losses:

☐ Applicable ☒ Not applicable

(3) Provisions for bad debts made, recovered or reversed for the current period

Provisions for bad debts for the current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provisions for bad debts	263,515,047.00	74,757,864.28		18,265,674.92		320,007,236.36
Total	263,515,047.00	74,757,864.28		18,265,674.92		320,007,236.36

Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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(4) Actual write-off of accounts receivable in the current period

Unit: RMB

Item	Write-off amount
Actual write-off of accounts receivable	18,265,674.92

Among which, write-off of material accounts receivable:

Unit: RMB

Name of entity	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off of accounts receivable:

(5) Information on the top five accounts receivable and contractual assets by ending balance aggregated by debtor

Unit: RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contractual assets	Closing balance of accounts receivable and contractual assets	Proportion of the total closing balance of accounts receivable and contractual assets	Closing balance of provision for bad debts of accounts receivable and impairment provisions of contractual assets
The first	220,059,936.41		220,059,936.41	17.36%	103,003,311.91
The second	164,037,105.69		164,037,105.69	12.94%	154,714,693.05
The third	116,717,597.86		116,717,597.86	9.21%	7,035,703.42
The fourth	116,313,637.76		116,313,637.76	9.17%	24,731,940.96
The fifth	101,941,828.99		101,941,828.99	8.04%	5,097,091.45
Total	719,070,106.71		719,070,106.71	56.72%	294,582,740.79

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	0.00	0.00
Dividends receivable	0.00	817,495,237.71
Other receivables	160,652,028.93	596,125,595.31
Total	160,652,028.93	1,413,620,833.02

(1) Interest receivable**1) Classification of interest receivable**

Unit: RMB

Item	Closing balance	Opening balance
Total	0.00	0.00

2) Significant overdue interest

				Unit: RMB
Borrower	Closing balance	Overdue period	Reason for being overdue	Whether impairment has occurred and the basis for judgment

Other notes:

3) Disclosure under the methods of provision for bad debts by category☐Applicable ☒Not applicable**4) Provision for bad debts accrued, recovered or reversed in the current period**

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off or reversal	Other changes	

Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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Other notes:

5) Actual write-off of interest receivable for the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material interest receivable

Unit: RMB

Name of entity	Nature of amounts	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off:

Other notes:

(2) Dividends receivable**1) Classification of dividends receivable**

Unit: RMB

Project (or investee)	Closing balance	Opening balance
Ji'an MLS Industrial Co., Ltd.		534,613,815.65
Zhongshan MLS Electronics Co., Ltd.		228,427,000.00
Ledvance Lighting Co., Ltd.		53,481,222.06
Fujian ManewAIoT Lighting Co., Ltd.		973,200.00
Total	0.00	817,495,237.71

2) Significant dividends receivable aged over 1 year

Unit: RMB

Project (or investee)	Closing balance	Aging	Reason for the uncollected amount	Whether impairment has occurred and the basis for judgment
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3) Disclosure under the methods of provision for bad debts by category☐Applicable ☒Not applicable**4) Provision for bad debts accrued, recovered or reversed in the current period**

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off or reversal	Other changes	

Among which, the amount of provisions for bad debts recovered or reversed in the current period is material:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	The basis for determining the provision ratio of original provisions for bad debts and its rationality
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Other notes:

5) Actual write-off of dividends receivable in the current period

Unit: RMB

Item	Write-off amount
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Among which, write-off of material dividends receivable

Unit: RMB

Name of entity	Nature of amounts	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off:

Other notes:

(3) Other receivables**1) Other receivables classified by nature of payment**

Unit: RMB

Nature of amounts	Closing book balance	Opening book balance
Security deposits and other deposits	987,770.45	2,519,538.74
Intercourse funds among subsidiaries	155,729,287.95	347,412,176.60
Receivables from disposal of long-term assets		260,000,000.00
Non-related party receivables such as petty cash and advance payments	5,751,893.54	754,445.15
Subtract: Provisions for bad debts	-1,816,923.01	-14,560,565.18
Total	160,652,028.93	596,125,595.31

2) Disclosure by aging

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	36,241,385.26	608,620,180.22
1 to 2 years	124,328,601.20	166,558.47
2 to 3 years	166,558.47	166,786.57
Over 3 years	1,732,407.01	1,732,635.23
3 to 4 years	166,786.57	166,786.56
4 to 5 years	166,786.56	166,558.36
Over 5 years	1,398,833.88	1,399,290.31
Total	162,468,951.94	610,686,160.49

3) Disclosure under the methods of provision for bad debts by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provisions for bad debts		Carrying value	Book balance		Provisions for bad debts		Carrying value
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Specifically:										
Specifically:										

The provision for bad debts made according to the general model of expected credit losses:

Provisions for bad debts	Stage I	Stage II	Stage III	Total
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Unit: RMB

<13>

	Expected credit losses for the next 12 months	Lifetime expected credit losses (no credit impairments)	Lifetime expected credit losses (with credit impairments)	
Balance as of January 1, 2024	13,107,700.39	166,786.57	1,286,078.22	14,560,565.18
Balance as of January 1, 2024 in the current period				
— Transferred to Stage II	-83,279.24	83,279.24		
— Transferred to Stage III		-166,786.56	166,786.56	
Provision made in the current period	-12,743,413.94	166,786.56	-167,014.79	-12,743,642.17
Balance as of December 31, 2024	281,007.21	250,065.81	1,285,849.99	1,816,923.01

Basis for classification of each stage and provision ratio of provisions for bad debts

Changes in book balance where the change in provision for losses in the current period is material

☐ Applicable ☒ Not applicable

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

Provisions for bad debts for the current period:

Unit: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Write-off or reversal	Others	

Among which, material amounts of provisions for bad debts reversed or recovered in the current period:

Unit: RMB

Name of entity	Amount recovered or reversed	Reason for reversal	Recovery method	Basis for the provision for bad debts and the rationality thereof
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5) Actual write-off of other receivables during the current period

Unit: RMB

Item	Write-off amount
------	------------------

Among which, write-off of other material receivables:

Unit: RMB

Name of entity	Nature of other receivables	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
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Notes on write-off of other receivables:

As of December 31, 2024, there were no actual write-offs of other receivables during the current period

6) Top five other receivables in terms of ending balance collected by the debtor

Unit: RMB

Name of entity	Nature of funds	Closing balance	Aging	Proportion of the aggregate closing balance of other receivables	Closing balance of provisions for bad debts
The first	Current accounts of related parties within the Group	125,520,741.73	Within 1 year	77.26%	
The second	Current accounts of related parties within the Group	7,500,933.00	Within 1 year	4.62%	
The third	Current accounts of related parties within the Group	7,200,000.00	Within 1 year	4.43%	

The fourth	Current accounts of related parties within the Group	5,300,000.00	Within 1 year	3.26%	
The fifth	Current accounts of related parties within the Group	4,938,571.00	Within 1 year	3.04%	
Total		150,460,245.73		92.61%	

7) Reported under other receivables due to centralized fund management

Unit: RMB

Other notes:

3. Long-term equity investments

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provisions	Carrying value	Book balance	Impairment provisions	Carrying value
Investment in subsidiaries	11,515,463,578.84		11,515,463,578.84	11,438,021,168.82		11,438,021,168.82
Investments in associates or joint ventures	421,751,618.15		421,751,618.15	585,644,825.10		585,644,825.10
Total	11,937,215,196.99		11,937,215,196.99	12,023,665,993.92		12,023,665,993.92

(1) Investment in subsidiaries

Unit: RMB

Investee	Opening balance (carrying value)	Impairment provisions at the beginning of the period	Changes in the current period				Closing balance (carrying value)	Impairment provisions at the end of the period
			Additional investment	Decrease in investment	Accrual of impairment provisions	Others		
Zhongshan Electronics Co., Ltd.	1,593,376,079.25						1,593,376,079.25	
Zhongshan Lighting Technology Co., Ltd.	100,000,000.00						100,000,000.00	
Zhongshan Lighting Co., Ltd.	3,631,260.13						3,631,260.13	
Ji'an Industrial Co., Ltd.	2,083,456,251.99						2,083,456,251.99	
MLSLEDLIMITED	515,942,367.31						515,942,367.31	
Xinyu Electronics Co., Ltd.	1,019,000,000.00						1,019,000,000.00	
Harmony Mingxin (Yiwu) Optoelectronics Technology Co., Ltd.	5,363,160,989.02						5,363,160,989.02	
Ji'an Electronics Technology Co., Ltd.	28,531,910.90			28,531,910.90				



Zhongshan Enterprise Management Service Co., Ltd.	MLS	41,464,554.99						41,464,554.99	
Shenzhen Opto-Display Technology Co., Ltd.	MLS	500,000.00						500,000.00	
Zhongshan Power Co., Ltd.	MLS	299,517,900.00						299,517,900.00	
Ledvance Co., Ltd.	Lighting	214,820,400.00						214,820,400.00	
Zhongshan Light Optoelectronics Co., Ltd.	Master Source	15,050.00						15,050.00	
Zhongshan Light Optoelectronics Co., Ltd.	Master Source	0.00						0.00	
Zhongshan Zhuoman Microelectronics Co., Ltd.		31,100,000.00						31,100,000.00	
Zhongshan Optoelectronics Co., Ltd.	MLS	17,100,000.00		4,000,000.00				21,100,000.00	
Zhongshan Glamor Optoelectronics Technology Co., Ltd.		6,404,280.08			6,404,280.08				
GYGAIR Co., Ltd.		40,000,000.00		2,433,601.00				42,433,601.00	
LEDVANCE New Energy Co., Ltd.		23,100,000.00		66,500,000.00				89,600,000.00	
Zhongshan Electric Co., Ltd.	MLS	5,500,000.00		4,500,000.00				10,000,000.00	
Hunan Machinery Co., Ltd.	MLS	3,500,000.00						3,500,000.00	
Zhongshan Lighting E-commerce Co., Ltd.	MLS	18,548,147.74		26,000,000.00	5,000,000.00			39,548,147.74	
Zhongshan General Co., Ltd.	MLS	6,101,658.06						6,101,658.06	
Guangdong Light Lighting Co., Ltd.	Master Source	6,015,369.35						6,015,369.35	
Ledvance Technology (Shanghai) Co., Ltd.	Digital	2,200,000.00						2,200,000.00	



MLS (Guangdong) Health Technology Co., Ltd.			4,945,000.00				4,945,000.00	
MLS Bioengineering (Hunan) Co., Ltd.			9,000,000.00				9,000,000.00	
Total	11,438,021,168.82		117,378,601.00	39,936,190.98			11,515,463,578.84	

(2) Investments in associates or joint ventures

Unit: RMB

Investee	Openin g balance (carry ing value)	Impairme nt provision s at the beginning of the period	Changes in the current period								Closing balance (carry ing value)	Impairme nt provision s at the end of the period
			Addition al investme nt	Decrease in investme nt	Profit or loss on investmen ts recognize d under the equity method	Adjustments to other comprehensi ve income	Other chang es in equity	Declarati on of cash dividends or distributi on of profits	Accrual of impairme nt provision s	Other s		
I. Joint ventures												
II. Associates												
Bridgelux Optoelectron ics (Xiamen) Co., Ltd.	361,58 3,614.6 5				7,551,84 8.28	1,466,368.7 3					370,60 1,831.6 6	
GlobalValue Lighting,LL C	172,46 4,399.3 0									- 17 2,46 4,39 9.30		
Hunan Helilai Smart Display Technology Co., Ltd.	51,596, 811.15				- 447,024. 66						51,149, 786.49	
Subtotal	585,64 4,825.1 0				7,104,82 3.62	1,466,368.7 3				- 17 2,46 4,39 9.30	421,75 1,618.1 5	
Total	585,64 4,825.1 0				7,104,82 3.62	1,466,368.7 3				- 17 2,46 4,39 9.30	421,75 1,618.1 5	

The recoverable amount is determined at the net amount of fair value less costs of disposal

☐Applicable ☒Not applicable

The recoverable amount is determined by the present value of the estimated future cash flows

☐Applicable ☒Not applicable

Reasons for significant inconsistencies between the aforementioned information and the information used in impairment tests in previous years or external information



Reasons for significant inconsistencies between the information used in the Company's impairment test in previous years and the actual situation in the current year

(3) Other notes

4. Operating income and operating costs

Unit: RMB

Item	Amount incurred in the current period		Amount incurred in previous period	
	Revenue	Cost	Revenue	Cost
Main business	2,857,590,645.45	2,759,779,471.13	3,020,486,434.27	2,933,784,541.77
Other business	356,766,767.34	350,531,764.92	400,663,566.33	349,567,093.69
Total	3,214,357,412.79	3,110,311,236.05	3,421,150,000.60	3,283,351,635.46

Disaggregated information on operating income and operating costs:

Unit: RMB

Contract classification	Segment 1		Segment 2				Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Business type								
Specifically:								
By operating region								
Specifically:								
Market or customer type								
Specifically:								
Contract type								
Specifically:								
By timing of goods transfer								
Specifically:								
By contract duration								
Specifically:								
By sales channel								
Specifically:								
Total								



Information related to performance obligations:

Item	Timing of satisfaction of performance obligations	Important payment terms	Nature of the goods committed to be transferred by the Company	Whether it is the primary principal	Amounts expected to be refunded to customers by the Company	Type of quality assurance provided by the Company and related obligations
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Other notes

Information related to the transaction price allocated to the remaining performance obligations:

As at the end of the current reporting period, the amount of revenue corresponding to the performance obligations under signed contracts that have not yet been performed or fully performed is RMB 0.00, of which RMB is expected to be recognized as revenue in, RMB is expected to be recognized as revenue in, and RMB is expected to be recognized as revenue in.

Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting treatment method	Amount of impact on revenue
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Other notes:

5. Investment income

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Income from long-term equity investments calculated under the cost method	40,264,931.05	653,661,737.71
Income from long-term equity investments calculated under the equity method	7,104,823.62	143,867,419.50
Investment income from the disposal of long-term equity investments	-42,363,328.71	-66,232,256.81
Investment income from wealth management products		3,577,352.72
Others		973,200.00
Total	5,006,425.96	735,847,453.12

6. Others

XX. Supplementary information

1. Breakdown of the current non-recurring profits and losses

☒Applicable ☐Not applicable

Unit: RMB

Item	Amount	Description
Gains and losses from disposal of non-current assets	21,893,618.16	
Government subsidies included in the current profit or loss (except for those 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 sustained impact on the Company's profits or losses)	91,317,269.52	
Profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss from the disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	9,987,164.69	
Other non-operating income and expenses other than the above	-3,316,219.47	



Other items of profits and losses subject to the definition of non-recurring profits and losses	-20,349,731.16	
Disposal of subsidiaries	-53,645,682.89	
Less: Effect of income tax	-17,158,121.83	
Effect of minority interests (after tax)	203,344.51	
Total	62,841,196.17	--

Details of other profit or loss items that meet the definition of non-recurring profits and losses

☐Applicable ☒Not applicable

The Company had no specific profit or loss items that meet the definition of non-recurring profits and losses

Notes on the definition of the non-recurring profit or loss items listed in the Interpretive Announcement No. 1 on Information

Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss as recurring profit or loss items

☐Applicable ☒Not applicable

2. Return on net assets and earnings per share

Profit during the reporting period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the company	2.83%	0.2518	0.2518
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	2.35%	0.21	0.21

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

(1) Differences in net profits and net assets in financial reports disclosed in accordance with International Accounting Standards and Chinese Accounting Standards

☐Applicable ☒Not applicable

(2) Differences in net profits and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese Accounting Standards

☐Applicable ☒Not applicable

(3) Explanations of the reasons for differences between accounting data under domestic and foreign accounting standards. If adjustments have been made to the differences in data audited by an overseas auditing firm, the name of the said overseas institution shall be specified

4. Others



2024 年年度报告

第一节重要提示、目录和释义

公司董事会、监事会及董事、监事、高级管理人员保证年度报告内容的真实、准确、完整，不存在虚假记载、误导性陈述或重大遗漏，并承担个别和连带的法律责任。

公司负责人孙清焕、主管会计工作负责人李冠群及会计机构负责人（会计主管人员）王宝真声明：保证本年度报告中财务报告的真实、准确、完整。所有董事均已出席了审议本报告的董事会会议。

本年度报告涉及未来计划等前瞻性陈述不构成公司对投资者的实质承诺，投资者及相关人士均应当对此保持足够的风险认识，并且应当理解计划、预测与承诺之间的差异，请投资者注意投资风险。公司指定信息披露媒体为《中国证券报》《证券时报》《证券日报》《上海证券报》和巨潮资讯网（<http://www.cninfo.com.cn>），公司所有信息均以在上述指定媒体刊登的公告为准，敬请投资者注意投资风险。

公司在本报告“第三节管理层讨论与分析”中的“十一、公司未来发展的展望”部分描述了公司经营中可能面临的风险及公司应对措施，敬请查阅。

公司经本次董事会审议通过的利润分配预案为：以 1,484,166,399 为基数，向全体股东每 10 股派发现金红利 0.50 元（含税），送红股 0 股（含税），不以公积金转增股本。

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备查文件目录

一、载有公司法定代表人、主管会计工作负责人、会计机构负责人签名并盖章的财务报表。

二、载有会计师事务所盖章、注册会计师签名并盖章的审计报告原件。

三、报告期内公开披露过的所有公司文件的正本及公告的原稿。

四、其他备查文件。

以上文件的备置地点：董事会办公室。

释义

释义项	指	释义内容
中国证监会	指	中国证券监督管理委员会
深交所	指	深圳证券交易所
公司、本公司、木林森	指	木林森股份有限公司
和谐明芯	指	和谐明芯（义乌）光电科技有限公司
LEDVANCE、朗德万斯	指	LEDVANCEGmbH
报告期内	指	2024 年 1 月 1 日至 2024 年 12 月 31 日
报告期末	指	2024 年 12 月 31 日
元、万元	指	人民币元、人民币万元
LED	指	LightingEmittingDiode，发光二极管，是一种能够将电能转化为可见光的固态半导体器件
LampLED	指	直插式发光二极管
LED 应用	指	包括 LED 照明产品及 LED 显示屏、装饰灯饰等其他 LED 应用产品
Display	指	DisplayLED，数码发光二极管
SMDLED	指	表面贴装式发光二极管
半导体	指	指导电性可受控制、范围可从绝缘体至导体之间的材料，在收音机、电视机及测温等领域广泛应用
PCB/PCB 线路板	指	PrintedCircuitBoard，印制电路板/印刷线路板，是重要的电子部件、电子元器件的支撑体、连接载体
LED 封装	指	将 LED 发光管芯固定于 PCB 或支架完成电气连接，并采用环氧或硅胶包封固化过程，以保护管芯正常工作

第二节公司简介和主要财务指标

一、公司信息

股票简称	木林森	股票代码	002745
股票上市证券交易所	深圳证券交易所		
公司的中文名称	木林森股份有限公司		
公司的中文简称	木林森		
公司的外文名称（如有）	MLSCo., Ltd.		
公司的外文名称缩写（如有）	MLS		
公司的法定代表人	孙清焕		
注册地址	广东省中山市小榄镇木林森大道 1 号		
注册地址的邮政编码	528415		
公司注册地址历史变更情况	公司成立于 1997 年，公司上市后，因办公迁址，2016 年 9 月 9 日由“中山市小榄镇木林森大道 1 号、中山市小榄镇泰丰工业大道中 42 号之一[共设 2 处经营场所]”变更为“中山市小榄镇木林森大道 1 号”		
办公地址	广东省中山市小榄镇木林森大道 1 号		
办公地址的邮政编码	528415		
公司网址	www.mls-co.cn		
电子信箱	ir@zsmls.com		

二、联系人和联系方式

	董事会秘书	证券事务代表
姓名	李冠群	甄志辉
联系地址	广东省中山市小榄镇木林森大道 1 号	广东省中山市小榄镇木林森大道 1 号
电话	0760-89828888 转 6666	0760-89828888 转 6666
传真	0760-89828888 转 9999	0760-89828888 转 9999
电子信箱	ir@zsmls.com	ir@zsmls.com

三、信息披露及备置地点

公司披露年度报告的证券交易所网站	深圳证券交易所(http://www.szse.cn)
公司披露年度报告的媒体名称及网址	《证券时报》《中国证券报》《证券日报》《上海证券报》，巨潮资讯网 http://www.cninfo.com.cn
公司年度报告备置地点	广东省中山市小榄镇木林森大道 1 号木林森股份有限公司董事会办公室

四、注册变更情况

统一社会信用代码	914420002821438692
公司上市以来主营业务的变化情况（如有）	无变更

历次控股股东的变更情况（如有）	无变更
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五、其他有关资料

公司聘请的会计师事务所

会计师事务所名称	容诚会计师事务所（特殊普通合伙）
会计师事务所办公地址	北京市西城区阜成门外大街 22 号 1 幢 10 层 1001-1 至 1001-26
签字会计师姓名	潘新华、吴凯民、张力佳

公司聘请的报告期内履行持续督导职责的保荐机构

☐适用☒不适用

公司聘请的报告期内履行持续督导职责的财务顾问

☐适用☒不适用

六、主要会计数据和财务指标

公司是否需追溯调整或重述以前年度会计数据

☐是☒否

	2024 年	2023 年	本年比上年增减	2022 年
营业收入（元）	16,910,268,225.52	17,535,675,550.51	-3.57%	16,516,774,262.39
归属于上市公司股东的净利润（元）	373,787,005.91	429,924,196.82	-13.06%	193,914,383.94
归属于上市公司股东的扣除非经常性损益的净利润（元）	310,945,809.74	400,018,687.84	-22.27%	155,121,186.06
经营活动产生的现金流量净额（元）	1,864,853,023.14	1,984,349,312.92	-6.02%	163,796,410.07
基本每股收益（元/股）	0.2518	0.2897	-13.08%	0.13
稀释每股收益（元/股）	0.2518	0.2897	-13.08%	0.13
加权平均净资产收益率	2.83%	3.16%	-0.33%	1.44%
	2024 年末	2023 年末	本年末比上年末增减	2022 年末
总资产（元）	23,445,267,356.05	24,361,905,369.64	-3.76%	24,923,300,299.66
归属于上市公司股东的净资产（元）	12,693,312,504.64	13,656,466,934.80	-7.05%	13,413,479,091.49

公司最近三个会计年度扣除非经常性损益前后净利润孰低者均为负值，且最近一年审计报告显示公司持续经营能力存在不确定性

☐是☒否

公司最近一个会计年度经审计利润总额、净利润、扣除非经常性损益后的净利润三者孰低为负值

☐是☒否

七、境内外会计准则下会计数据差异

1、同时按照国际会计准则与按照中国会计准则披露的财务报告中净利润和净资产差异情况

☐适用☒不适用
公司报告期不存在按照国际会计准则与按照中国会计准则披露的财务报告中净利润和净资产差异情况。

2、同时按照境外会计准则与按照中国会计准则披露的财务报告中净利润和净资产差异情况

☐适用☒不适用
公司报告期不存在按照境外会计准则与按照中国会计准则披露的财务报告中净利润和净资产差异情况。

八、分季度主要财务指标

单位：元

	第一季度	第二季度	第三季度	第四季度
营业收入	3,999,219,660.97	4,182,574,647.31	4,007,887,927.95	4,720,585,989.29
归属于上市公司股东的净利润	181,433,905.81	80,915,020.47	100,589,453.63	10,848,626.00
归属于上市公司股东的扣除非经常性损益的净利润	150,983,802.66	88,001,492.33	118,040,975.64	-46,080,460.89
经营活动产生的现金流量净额	299,866,140.01	643,730,436.88	266,257,977.89	654,998,468.36

上述财务指标或其加总数是否与公司已披露季度报告、半年度报告相关财务指标存在重大差异
☐是☒否

九、非经常性损益项目及金额

☒适用☐不适用

单位：元

项目	2024 年金额	2023 年金额	2022 年金额	说明
非流动性资产处置损益（包括已计提资产减值准备的冲销部分）	21,893,618.16	231,205,550.39	-19,494,355.64	
计入当期损益的政府补助（与公司正常经营业务密切相关，符合国家政策规定、按照确定的标准享有、对公司损益产生持续影响的政府补助除外）	91,317,269.52	138,723,790.10	110,685,854.83	
除同公司正常经营业务相关的有效套期保值业务外，非金融企	9,987,164.69	-45,360,791.23	-25,052,500.87	

业持有金融资产和金融负债产生的公允价值变动损益以及处置金融资产和金融负债产生的损益				
单独进行减值测试的应收款项减值准备转回		500,000.00	700,000.00	
债务重组损益			-153,000,000.00	
因税收、会计等法律、法规的调整对当期损益产生的一次性影响			167,870,830.15	
除上述各项之外的其他营业外收入和支出	-3,316,219.47	-271,784,158.02	-7,118,440.69	
其他符合非经常性损益定义的损益项目	-20,349,731.16		-42,471,126.99	
处置子公司	-53,645,682.89	-8,758,743.44	1,211,566.25	
减：所得税影响额	-17,158,121.83	15,264,259.21	-4,278,245.53	
少数股东权益影响额（税后）	203,344.51	-644,120.39	-1,183,125.31	
合计	62,841,196.17	29,905,508.98	38,793,197.88	—

其他符合非经常性损益定义的损益项目的具体情况：

☐适用☒不适用

公司不存在其他符合非经常性损益定义的损益项目的具体情况。

将《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》中列举的非经常性损益项目界定为经常性损益项目的情况说明

☐适用☒不适用

公司不存在将《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》中列举的非经常性损益项目界定为经常性损益的项目的情形。

第三节管理层讨论与分析

一、报告期内公司所处行业情况

（一）行业发展概况

公司所处行业为半导体照明（LED）产业链中的 LED 封装与照明应用行业。近年来，受益于全球节能减排政策的持续推进，LED 照明凭借高效节能、寿命长、响应快等优势，持续替代传统照明产品，市场渗透率不断提高。同时，随着照明产品逐步向智能化、健康化、场景化方向演进，行业整体呈现技术驱动、应用多元的发展态势。

2024 年，全球 LED 照明市场受政治经济局势波动及地缘政治紧张因素影响，整体增长节奏有所调整。在此背景下，智能照明、植物照明、显示应用等细分领域逆势增长，为行业发展注入新动能。TrendForce 预测，2025 年，伴随全球经济回暖、建筑与基础设施翻新项目逐步复苏，以及高光品质、健康照明需求的持续提升，全球 LED 照明市场规模将实现恢复性增长，预计达 566.26 亿美元。

中国作为全球 LED 照明产品的核心生产与出口基地，依托庞大的制造体系、完善的产业链结构和政策支持，行业保持稳中有进的发展态势。特别是在“双碳”战略驱动下，绿色照明、智能照明等产品市场需求持续释放，为企业转型升级创造有利条件。

（二）行业竞争格局

当前，我国 LED 封装与照明应用行业集中度总体处于中等水平，市场参与者数量众多，竞争较为激烈。具备品牌、渠道、规模、技术等综合优势的龙头企业，在供应链管控、产品质量、成本控制、终端渗透等方面具有明显优势，并通过纵向整合、横向拓展加速提升市场份额，竞争格局逐步向头部集中。

与此同时，随着智能化趋势的加快，跨行业企业借助物联网、人工智能等技术进入照明行业，行业边界不断拓宽，竞争生态愈加复杂。下游客户对产品性能、定制能力和系统集成提出更高要求，企业唯有持续提升综合竞争力，方能在激烈市场竞争中保持领先地位。

（三）行业发展趋势

随着全球经济结构的调整与科技的持续进步，LED 照明行业正在向智能化、绿色化、集成化方向加速转型，但同时，传统照明市场仍将持续占据重要地位，主要呈现出以下发展趋势：

1、传统照明市场的持续稳步增长

尽管智能照明的兴起为行业带来了新的增长点，但传统 LED 照明产品在全球市场的渗透率依然持续增长。特别是在国内外对于建筑、道路、公共设施等传统领域的光源升级改造需求日益增加，传统照明市场依旧保持强劲增长势头。预计在未来几年内，全球传统 LED 照明市场仍将占据主导地位，尤其是在新兴市场和老旧建筑翻新改造项目中，传统照明产品仍将占据大部分市场份额。

2、智能照明加速普及

在国内市场，“木林森”品牌经过二十余年的发展，凭借对本土市场的深刻洞察、强大的品牌运营能力以及完善的销售渠道，已在照明行业树立了卓越口碑。其产品广泛应用于智能照明、植物照明、光伏储能及空气净化等多个领域，形成了广泛的市场影响力。

公司通过实施一系列品牌建设举措，进一步提升了旗下品牌的影响力与竞争力，主要体现在以下几个方面：

（1）创新驱动，塑造产品优势

公司在产品设计环节精准把握全球照明潮流趋势，将前沿设计理念深度融入产品研发，推出了健康照明、智慧照明和环保可持续照明三大核心领域的创新产品。健康照明产品符合“人因照明”（HCL）理念，模拟自然光谱并可调节色温，有效缓解视觉疲劳；智慧照明则具备语音控制、远程操作和场景自定义等功能；环保可持续照明产品采用绿色环保材料，严格控制碳排放，实现能源高效利用，积极响应全球“碳中和”与“可持续发展”目标。

（2）整合渠道，搭建营销网络

公司积极开拓新兴市场，并优化现有渠道布局。通过与全球各地优质经销商的深度合作，公司在国内外市场同步推进线上线下全渠道运营模式，强化零售网络布局，同时提升品牌数字化运营能力，拓展线上销售渠道。

（3）紧跟政策，拓展市场版图

公司在市场拓展和全球战略升级方面取得了显著进展。LEDVANCE 品牌在北美、欧洲等传统市场稳健增长，同时在中东、东南亚、拉丁美洲等新兴市场加速布局。公司也紧跟国家政策导向，积极响应乡村振兴、城市更新等战略，加大对下沉市场的投入，推出符合市场需求的产品和服务。

（4）协同合作，推动品牌发展

公司高度重视与全球各地经销商和合作伙伴的协作，定期共同探讨市场动态与发展方向，充分整合各方优势资源，携手推动品牌持续发展。

公司主要品牌产品包括智能照明及智能照明系统、LED 灯具以及广泛的应用场景产品。具体包括智能照明系统，如 LEDVANCESMART+智能照明系统、VIVARESZigbee 无线物联网光管理系统等；LED 灯具涵盖吸顶灯、筒灯、射灯等通用灯具，以及工矿灯、洗墙灯等专业灯具；应用场景涵盖工业照明、商业照明、教育照明、办公照明、家居照明和户外照明等。

（二）智能制造业务

公司作为全球 LED 封装及照明解决方案的领军企业，凭借自主研发的先进封装技术和在规模化生产中积累的深厚经验，构建了集自动化生产、智能控制、数据分析与柔性制造于一体的智能制造体系。通过工业互联网、MES 系统等技术