

Shenzhen Honor Electronic Co., Ltd.

2024 Semi-Annual Report

2024-039



August 2024

Section 1 Important Tips, Contents and Interpretation

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

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

All directors have attended the board meeting for reviewing this semi-annual report.

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

The risks that the company may face are detailed in "X. Risks faced by the company and countermeasures" in "Section 3 Management Discussion and Analysis" of this report.

The company's profit distribution plan approved by the board of directors this time is: based on 99,544,700, a cash dividend of RMB 3.07 (including tax) will be distributed to all shareholders for every 10 shares, and 0 bonus shares (including tax) will be distributed, and the common reserve will not be converted into share capital.

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Reference file directory

- I. The original text of the 2024 semi-annual report with the signature of the legal representative.

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

- III. The originals of all company documents and announcements publicly disclosed during the reporting period.

- IV. Other documents for reference.

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

Paraphrase

Paraphrase	Depend on	Paraphrase content
The company, the company, Honor Electron, Shenzhen Honor Electron	Depend on	Shenzhen Honor Electronic Co., Ltd.
Ganzhou Honor Electron	Depend on	Honor Electron (Ganzhou) Electronics Co., Ltd., a wholly-owned subsidiary of the company
Hong Kong Honor Electron	Depend on	Hong Kong Honor Electron Technology Co., Ltd., a wholly-owned subsidiary of the company
Vietnam Honor Electron	Depend on	Vietnam Honor Electron Technology Co., Ltd., a wholly-owned subsidiary of Hong Kong Honor Electron
Taiwan Honor Electron	Depend on	Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch, Hong Kong Honor Electron Branch
Dongguan Honor Electron	Depend on	Dongguan Honor Electron Electronics Co., Ltd., a wholly-owned subsidiary of the company
Shanghai Honor Electron	Depend on	Shanghai Honor Electron Electronic Technology Co., Ltd., a wholly-owned subsidiary of the company
(USA) Axnon	Depend on	Axnon Co., Ltd., English name: Aspower Inc., formerly known as (U.S.) Honor Electron Technology Co., Ltd., is a wholly-owned subsidiary of the company
Hangzhou Yundian	Depend on	Hangzhou Yundian Technology Energy Co., Ltd., a holding subsidiary of the company
Shenzhen Zhilian	Depend on	Shenzhen Honor Electron Zhilian Technology Co., Ltd., a wholly-owned subsidiary of the company
MÉXICO HONOTO INDUSTRY S.A. de C.V.	Depend on	MÉXICO HONOTO INDUSTRY S.A. de C.V., a subsidiary of Honor Electron Holdings in Hong Kong, is a joint stock company of Axaltron (USA), and the company indirectly holds 100% of the shares.
Anbo	Depend on	Shanghai Anshibo Energy Technology Co., Ltd., the company's shareholding company
Bodian Cloud Branch	Depend on	Suzhou Bodian Yunke Energy Technology Co., Ltd., the company's shareholding company
Suzhou Yundian	Depend on	Suzhou Yundian Electronics Manufacturing Co., Ltd., formerly known as Suzhou Anshibo Energy Technology Co., Ltd., is a wholly-owned subsidiary of the company
Gnoli	Depend on	Shenzhen Genoli Information Consulting Co., Ltd., formerly known as "Shenzhen Genoli Electronics Co., Ltd.", is one of the controlling shareholders of the company
King Yue	Depend on	Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership), formerly known as Shenzhen Wangyuewang Investment Partnership (Limited Partnership), is one of the controlling shareholders of the Company
Tongju	Depend on	Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership), formerly known as Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership), is one of the shareholders of the Company
Articles of Association	Depend on	Articles of Association of Shenzhen Honor Electronic Co., Ltd.
General Meeting of Shareholders	Depend on	Shareholders' meeting of Shenzhen Honor Electronic Co., Ltd.
Board of directors	Depend on	Board of Directors of Shenzhen Honor Electronic Co., Ltd.
Supervisory Board	Depend on	Board of Supervisors of Shenzhen Honor Electronic Co., Ltd.
China Securities Regulatory Commission	Depend on	China Securities Regulatory Commission
Shenzhen Stock Exchange	Depend on	Shenzhen Stock Exchange

Company law	Depend on	Company Law of the People's Republic of China
Securities law	Depend on	Securities Law of the People's Republic of China
Yuan, ten thousand yuan, one hundred million yuan	Depend on	RMB yuan, RMB 10,000 yuan, RMB 100 million yuan
Reporting period	Depend on	January 1, 2024 to June 30, 2024
Same period last year, last period	Depend on	January 1, 2023 to June 30, 2023
Juchao Information Network	Depend on	The GEM information disclosure website designated by the China Securities Regulatory Commission http://www.cninfo.com.cn

Section 2 Company Profile and Main Financial Indicators

I. Company profile

Stock abbreviation	Honor Electron	Stock code	300870
Stock exchange	Shenzhen Stock Exchange		
Chinese name of the company	Shenzhen Honor Electronic Co., Ltd.		
Chinese abbreviation of the company (if any)	Honor Electron		
Legal representative of the company	Wang Heqiu		

II. Contact person and contact information

	Board secretary	Securities Affairs Representative
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E-mail	ir1@honor-cn.com	ir1@honor-cn.com

III. Other circumstances

1. Company contact information

Whether the company's registered address, company office address and its zip code, company website, e-mail address, etc., have changed during the reporting period

■ Applicable Not Applicable

The company's registered address, company office address and its zip code, company website, e-mail address, etc., remained unchanged during the reporting period. For details, please refer to the 2023 annual report.

2. Information disclosure and preparation location

Whether the information disclosure and preparation location have changed during the reporting period

■ Applicable Not Applicable

The name and website of the stock exchange website and media where the company discloses the semi-annual report. The preparation of the company's semi-annual report has not changed during the reporting period. For details, please refer to the 2023 annual report.

3. Registration changes

Whether the registration status has changed during the reporting period

■ Applicable Not Applicable

There was no change in company registration during the reporting period. For details, please refer to the 2023 annual report.

IV. Major Accounting Data and Financial Indicators

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

■ whether

	This reporting period	Same period last year	This reporting period increased or decreased compared with the same period of the previous year
Operating income (yuan)	1,599,246,706.68	1,295,323,159.35	23.46%
Net profit attributable to shareholders of listed companies (yuan)	86,338,983.16	8,351,635.88	933.80%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	78,483,044.70	31,507,265.29	149.10%
Net cash flow from operating activities (yuan)	65,026,742.54	184,333,183.19	-64.72%
Basic earnings per share (yuan/share)	0.85	0.08	962.50%
Diluted earnings per share (yuan/share)	0.85	0.08	962.50%
Weighted average return on equity	4.55%	0.51%	4.04%
	At the end of the reporting period	End of last year	Increase or decrease at the end of the reporting period compared to the end of the previous year
Total assets (yuan)	4,152,327,564.22	3,749,607,108.44	10.74%
Net assets attributable to shareholders of listed companies (yuan)	1,905,632,819.38	1,857,283,741.55	2.60%

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

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

■ Applicable Not Applicable

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

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

■ Applicable Not Applicable

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

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

Applicable ■ Not applicable

Unit: Yuan

Projects	Amount	Description
Gains and losses on disposal of illiquid assets (including the write-off portion of the provision for asset impairment)	-1,711,066.45	
Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the company's profit and loss)	5,541,114.12	Mainly government subsidy income.
In addition to the effective hedging business related to the company's normal business operations, the gains and losses from changes in fair value arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities	175,019.18	It is mainly to accrue the income of wealth management products for the current period.
Profit and loss of entrusting others to invest or manage assets	493,774.73	It is the income from wealth management products actually received in the current period.
Other non-operating revenue and expenditure other than the above-mentioned items	817,265.16	
Other profit and loss items that meet the definition of non-recurring profit and loss	3,271,070.28	
Less: Income tax impact amount	715,033.46	
Amount of impact on minority shareholders' equity (after tax)	16,205.10	
Total	7,855,938.46	

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

Applicable ■ Not applicable

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

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

■ Applicable Not Applicable

There is no situation in which the company defines the non-recurring gains and losses listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Gains and Losses" as recurring gains and losses.

Section 3 Management Discussion and Analysis

I. The main business of the company during the reporting period

(1) Main business

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

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

1. Overview of the overall operation

In the first half of 2024, the global economy will continue to move forward in a complex and volatile international environment, the driving force of economic growth still needs to be strengthened, and the overall development trend has slowed down. Under the background of the uncertainty of the global economy, the company has always strengthened its confidence, deeply cultivated the switching power supply industry, and continued to consolidate its traditional advantageous businesses around the development strategic goals. At the same time, it actively grasped the opportunities brought by technological innovation and changes in market demand, grasped the industry development trend, optimized the product structure, and gave full play to the advantages of technology and product strength to rapidly grow the business and enhance competitiveness and profitability. During the reporting period, the company's revenue growth accelerated, profitability improved steadily, and the overall trend of stable and high-quality development was maintained.

In terms of revenue, during the reporting period, the company achieved operating revenue of 1.599 billion yuan, a year-on-year increase of 23.46%. The main reason is that the revenue of the data center power supply business has achieved rapid growth, of which the revenue of high-power server power supply has increased significantly; in addition, the power tool charger business has returned to the normalized growth track, and the revenue has rebounded significantly. In the second quarter, the company achieved operating income of 903 million yuan, a year-on-year increase of 16.37% and a month-on-month increase of 29.82%. The single-quarter revenue once again hit a record high.

In terms of gross profit margin, the company's gross profit margin was 20.95% during the reporting period, a year-on-year increase of 1.55 percentage points. By actively optimizing the customer and product structure, the company increased the proportion of shipments of high-value volume and high-margin products, and promoted the increase in gross profit margin. In addition, factors such as the higher US dollar exchange rate and relatively stable raw material prices played a positive role in the company's gross profit margin in the first half of the year.

In terms of expenses, during the reporting period, the company's expenses amounted to 203 million yuan, a year-on-year decrease of 12.35%; the expense ratio was 12.72%, a year-on-year decrease of 5.20 percentage points, mainly due to the decrease in administrative expenses and R&D; expenses. In the first half of the year, sales expenses were RMB 45,403,100, a year-on-year increase of 35.68%, and the sales expense ratio was 2.84%, a slight increase of 0.26 percentage points year-on-year, mainly due to the increase in the company's sales scale. Administrative expenses were RMB 69,975,500, a year-on-year decrease of 22.65%; the administrative expense ratio was 4.38%, a year-on-year decrease of 2.61 percentage points, mainly due to the decrease in equity-based incentive expenses. R & D expenses were 103 million yuan, a year-on-year decrease of 8.11%; R&D; expense ratio was 6.42%, a year-on-year decrease of 2.21 percentage points, mainly because some related R&D; expenses were no longer included in the consolidated financial statements after the divestiture of subsidiaries; the company continued to maintain R&D; investment in various product areas around its main business, which provided impetus for the long-term stable development of the business. Financial expenses were -14,567,800 yuan, mainly due to the higher exchange rate of the US dollar and the realization of gains from foreign exchange.

In terms of EBITDA, during the reporting period, the company's EBITDA was 175 million yuan, a year-on-year increase of 102.00%, mainly due to the increase in net profit.

In terms of net profit, the net profit in the first half of the year was RMB 86,225,700, a year-on-year increase of 1,117.87%, and the net profit margin was 5.39%, a year-on-year increase of 4.85 percentage points. In the second quarter, the company achieved a net profit of 55,286,700 yuan, a year-on-year increase of 855.63% and a month-on-month increase of 78.70%; the net profit margin was 6.12%, a year-on-year increase of 5.37 percentage points and a month-on-month increase of 1.67 percentage points. The company's profitability showed a significant recovery compared with the previous quarter and the previous year.

2. The main business of the company

(1) Power adapter: The steady development of the business highlights the resilience, waiting for the recovery of downstream demand

The company started the power adapter business in 2004, and its layout covers 3W-400W power range products, with a wide range of applications, including office electronics, network communications, security monitoring, smart home, new consumer electronic equipment and other fields. The company's power adapter business has developed for many years and has become the company's most mature and stable basic disk business.

During the reporting period, the operating income of the power adapter business was 775 million yuan, a year-on-year decrease of 4.84%. In the first half of 2024, the global consumer electronics market as a whole is still in a relatively weak state of demand, and the company's power adapter revenue decline has narrowed compared with 2023.

During the reporting period, the gross profit margin of the power adapter business was 17.59%, a year-on-year decrease of 1.62 percentage points, mainly due to the downturn in the industry, and the decline in the value of some products and the level of gross profit margin.

With years of accumulation, the company's power adapter research and development technology has taken the lead in the industry, and has a good brand effect and customer reputation in the market. In the future, the combination of artificial intelligence (AI) technology in the consumer electronics field will accelerate the transformation and innovation of consumer electronics terminal equipment and promote the further development of the industry. In the huge market of 100 billion switching power supplies, the company will continue to expand more categories horizontally, cultivate vertically to gain more customer shares, and at the same time continue to improve operating efficiency, take multiple measures to enhance market competitiveness and operational risk resistance, and achieve steady development of the power adapter business.

(2) Data center power supply: The revenue of high-power products has grown dazzlingly, consolidating the first-mover advantage and increasing market share

The data center power supply business is the focus of the company's long-term development strategy. After several years of R&D; investment and business expansion, the company has become one of the major domestic data center power supply manufacturers, and related products have been highly recognized by head server manufacturers and downstream end customers.

In terms of product types, data center power supplies mainly include network security, communication and other data center power supplies, general-purpose server power supplies, and high-power server power supplies, covering full-power product series such as below 800 W, 800-2,000 W, and above 2,000 W. In terms of high-power server power products and solutions, the company has launched core products including 3,200W titanium M-CRPS server power supply, 1,300W-3,600W titanium CRPS server power supply, 3,300W-5,500W titanium and ultra-titanium GPU server power supply, immersion liquid-cooled server power supply and rack power supply (Power Shelf) solutions. R & D technology and products are at the leading level.

During the reporting period, the operating income of the data center power supply business was 495 million yuan, a year-on-year increase of 77.16%. The proportion of contribution to operating income continued to increase, which became the main factor driving the company's revenue growth. Among them, the high-power data center power supply business achieved revenue of 209 million yuan, a significant increase of 464.12% over the same period last year, and the proportion of the overall revenue of the data center power supply business increased to 42.21%, maintaining a strong growth momentum.

During the reporting period, the gross profit margin of the data center power supply business was 26.24%, a year-on-year increase of 6.50 percentage points, mainly due to the increase in the proportion of high-power server power supply products shipped, the improvement of product structure and the optimization of profitability.

Relying on forward-looking layout and excellent R&D strength, the company's high-power server power supply products have been at the leading level in China and comparable to the international high-end level. It is one of the few power supply suppliers in the market that can achieve large-scale sales of high-power server power supplies. In the first half of the year, the company has successively shipped domestic well-known server system manufacturers such as Inspur, Foxconn, Hixih, Lenovo, ZTE, and Xinhua 3. The company has also maintained close cooperation with domestic leading Internet companies and other end customers, and its comprehensive strength has been highly recognized by customers.

In the future, the company will continue to closely follow the upgrade trend of the server industry and the growth opportunities of the AI industry, actively seize the opportunities of domestic substitution, and accelerate the expansion of overseas markets. With excellent technical strength, high-quality and high-performance products, and leading cost competitiveness, the company will continue to tap existing and incremental customer needs.

(3) Other power sources: return to the normalized growth track and explore and extend the layout of new fields

The company adheres to the power supply industry and continuously develops new application areas around power supply technology, including lithium battery power tools and home appliance chargers, pure electric vehicle chargers, high-wattage power battery equipment chargers, chemical composition equipment, etc.

During the reporting period, the company's other power supply business revenue was 322 million yuan, a year-on-year increase of 63.15%. In the first half of 2024, the global power tool market demand returned to a normalized growth track, and the introduction of new customers was superimposed. In the first half of 2024, the company's power tool charger business revenue achieved substantial growth, which is the main factor driving the year-on-year increase in the revenue of other power supply business segments.

During the reporting period, the gross profit margin of the other power supply business was 19.78%, a year-on-year increase of 1.11 percentage points, mainly due to the significant increase in the revenue of the power tool charger business, the optimization of the product structure, and the increase in the proportion of high-margin businesses.

In the field of lithium battery power tools and home appliance chargers, in addition to consolidating the original supply ratio among customers, the company will strive to continuously expand new projects with existing customers through project experience, product quality, production capacity coordination, delivery capacity, etc., increase the supply ratio among existing customers, and continue to expand new customers and new markets to achieve steady and upward development of the business segment.

In addition, the new products invested by the company have achieved initial results in customer development. The business of power battery chargers in the field of electric two-wheelers and tricycles, and power supply for chemical components and equipment is proceeding in an orderly manner. The company will continue to rely on its own R&D and innovation advantages, actively explore and research new products and new technologies, and continuously expand new application fields and groups through product extension, so as to help the business achieve a diversified layout.

(2) Business model

1. Procurement model

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

2. Production mode

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

3. Sales model

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

4. R&D; model

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

II. Core Competitiveness Analysis

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

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

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

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

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

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

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

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

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

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

The company has R&D; centers in Shenzhen, Hangzhou, Shanghai and other places, which can cooperate with customers more efficiently and improve the company's overall R&D; service level. Relying on a high-level professional technical research and development team, the company's technological innovation strength has been continuously enhanced. As of June 30, 2024, the company has obtained 18 invention patents, 140 utility model patents, 22 design patents, and 80 software copyrights.

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

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

III. Main business analysis

Overview

Please refer to the relevant content of "I. Main business of the company during the reporting period".

Year-on-year changes in major financial data

Unit: Yuan

	This reporting period	Same period last year	Year-on-year increase or decrease	Reason for change
Operating income	1,599,246,706.68	1,295,323,159.35	23.46%	No major changes.
Operating cost	1,264,283,479.02	1,044,019,887.87	21.10%	No major changes.
Selling expense	45,403,144.92	33,463,610.20	35.68%	Mainly due to the increase in sales scale during the current period and the corresponding increase in sales expenses.
Administration expense	69,975,542.95	90,462,812.61	-22.65%	No major changes.

Finance expense	-14,567,765.29	-3,512,087.51	-314.79%	Mainly due to the increase in foreign exchange gains and interest income in the current period compared with the same period of the previous year.
Income tax expense	12,353,445.57	5,158,944.75	139.46%	This is due to the increase in the sales scale during the current period and the increase in the total profit.
R & D investment	102,663,290.33	111,724,546.35	-8.11%	No major changes.
Net cash flow from operating activities	65,026,742.54	184,333,183.19	-64.72%	Mainly due to the increase in the amount of goods paid for purchases in the current period.
Net cash flows from investing activities	-141,752,677.08	-229,387,522.17	38.20%	Mainly due to the decrease in the purchase of wealth management products in the current period compared with the same period last year.
Net cash flow from financing activities	-258,145.90	-20,112,995.75	98.72%	Mainly due to the increase in bank loans received during the current period.
Cash and cash equivalents	-67,655,463.13	-65,015,138.94	-4.06%	No major changes.

Significant changes in the company's profit composition or source of profit during the reporting period

■ Applicable Not Applicable

There was no significant change in the company's profit composition or source of profit during the reporting period.

Products or services that account for more than 10%

Applicable ■ Not applicable

Unit: Yuan

	Operating income	Operating cost	Gross margin	Increase or decrease in operating income over the same period of the previous year	Operating costs increased or decreased compared to the same period last year	Gross profit margin increased or decreased compared with the same period last year
Sub-product or service						
Computer, communications and other electronic equipment manufacturing	1,591,864,173.44	1,261,951,991.44	20.72%	23.30%	21.04%	1.48%
Sub-product						
Power adapter	774,907,306.72	638,570,083.	17.59%	-4.84%	-2.94%	-1.62%62

Data center power supply business (original server power supply)	495,166,028.63	365,250,966.21	26.24%	77.16%	62.82%	6.50%
Other power	321,790,838.09	258,130,941.61	19.78%	63.15%	60.92%	1.11%
By regions						
Domestic sales	841,002,488.48	686,069,084.12	18.42%	33.62%	25.18%	5.49%
Overseas sales	758,244,218.20	578,214,394.91	23.74%	13.87%	16.58%	-1.78%
Sub-sales model						
Direct selling	1,599,246,706.68	1,264,283,479.02	20.95%	23.46%	21.10%	1.55%

IV. Analysis of non-main business

Applicable ☒ Not applicable

Unit: Yuan

	Amount	% of total profit	Reasons for formation	Is it sustainable
Investment income	-13,839,166.39	-14.04%	Mainly due to the recognition of investment losses for participating companies based on the equity method.	No
Fair value change	175,019.18	0.18%	Changes in the fair value of wealth management products during the reporting period.	No
Asset impairment	-12,788,995.21	-12.97%	This is due to the increase in the provision for falling prices of inventories in the current period.	No
Non-operating income	1,317,291.90	1.34%	It is due to the receipt of default deductions in the current period.	No
Non-operating expenses	2,582,738.21	2.62%	Mainly due to the loss of asset retirement in the current period.	No
Other income	8,812,184.40	8.94%	Mainly government subsidy income.	No
Credit impairment loss	-9,148,620.63	-9.28%	It is due to the provision for bad debts of accounts receivable.	No

V. Analysis of Assets and Liabilities

1. Significant changes in asset composition

Unit: Yuan

	At the end of the reporting period		End of last year		Proportion increase or decrease	Description of major changes
	Amount	% of total assets	Amount	% of total assets		

Monetary fund	630,846,879.94	15.19%	669,082,320.25	17.84%	-2.65%	No major changes.
Accounts Receivable	1,098,253,628.85	26.45%	890,787,486.41	23.76%	2.69%	No major changes.
Inventory	467,626,518.69	11.26%	336,461,913.00	8.97%	2.29%	Mainly due to the increase in sales volume during the current period.
Investment real estate	133,427,330.22	3.21%	120,727,136.94	3.22%	-0.01%	No major changes.
Long-term equity investment	84,952,882.86	2.05%	95,121,442.43	2.54%	-0.49%	No major changes.
Fixed assets	975,426,877.69	23.49%	1,013,803,559.64	27.04%	-3.55%	No major changes.
Construction in progress	162,074,316.96	3.90%	133,048,776.54	3.55%	0.35%	No major changes.
Right-of-use asset	50,016,378.82	1.20%	40,521,407.26	1.08%	0.12%	No major changes.
Short-term loan	190,134,305.54	4.58%	115,057,750.00	3.07%	1.51%	Mainly due to the increase in bank loans during the current period.
Contract liabilities	2,385,982.42	0.06%	3,002,110.54	0.08%	-0.02%	No major changes.
Long-term loan	237,719,673.82	5.72%	319,550,000.10	8.52%	-2.80%	No major changes.
Lease liabilities	31,301,765.29	0.75%	26,432,950.93	0.70%	0.05%	No major changes.
Trading financial assets	65,175,019.18	1.57%	0.00	0.00%	1.57%	Mainly due to the new purchase of wealth management products in the current period.
Receivables Financing	30,512,034.70	0.73%	17,633,625.14	0.47%	0.26%	This was due to the increase in bills receivable received during the current period.
Advance payment	918,248.68	0.02%	3,018,853.80	0.08%	-0.06%	Mainly due to the decrease in the prepayment for materials in the current period.
Other receivables	19,960,227.69	0.48%	73,876,951.61	1.97%	-1.49%	Mainly due to the receipt of the equity transfer payment at the end of the previous year in the current period.

Other Current Assets	68,290,781.38	1.64%	22,798,520.43	0.61%	1.03%	Mainly due to the increase in tax credits in the current period.
Long-term deferred expenses	112,646,881.30	2.71%	55,978,141.31	1.49%	1.22%	Mainly due to the completion and acceptance of the renovation project in this period.
Account payables	974,533,125.93	23.47%	737,489,565.72	19.67%	3.80%	Mainly due to the increase in sales scale during the current period and the corresponding increase in material purchases.
Non-current liabilities due within one year	108,835,200.21	2.62%	45,119,278.31	1.20%	1.42%	Mainly due to the increase in long-term loans due within one year of the current period.
Other current liabilities	94,930,161.99	2.29%	69,522,971.58	1.85%	0.44%	Mainly due to the increase in the number of bills that have been endorsed and transferred but not derecognized at the end of the period.
Deferred income	17,496,171.65	0.42%	8,835,651.83	0.24%	0.18%	Mainly due to the increase in government subsidies related to assets received in the current period.

2. Main overseas assets

■ Applicable Not Applicable

3. Assets and liabilities measured at fair value

Applicable ■ Not applicable

Unit: Yuan

Projects	Beginning of the period	Gains and losses from changes in fair value for the current period	Changes in cumulative fair value included in equity	Impairment accrued in the current period	Purchase amount in the current period	Amount sold in the current period	Other changes	Ending number
Financial assets								
1. Transactional financial assets (excluding derivative financial assets)	0.00	648,443.85			129,000,000.00	64,473,424.67	0.00	65,175,019.18
Subtotal of financial assets	0.00	648,443.85			129,000,000.00	64,473,424.67	0.00	65,175,019.18
Receivables Financing	17,633,625.14						12,878,409.56	30,512,034.70
Total of the above	17,633,625.14	648,443.85			129,000,000.00	64,473,424.67	12,878,409.56	95,687,053.88
Financial liabilities	0.00							0.00

Other changes

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

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

■ whether

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

Projects	Book value at the end of the period (yuan)	Restricted type	Restricted situation
Monetary fund	170,623,081.53	other	Apply to the bank for the security deposit for the issuance of bank acceptance bills, and the funds frozen by the people's court in disputes over contract sales
Fixed assets	539,866,535.49	Mortgage	Apply for a loan from a bank to mortgage fixed assets

Notes receivable	22,943,227.11	Pledge	Apply to the bank for pledged bills receivable to issue a bank acceptance bill
Investment real estate	115,988,010.50	Mortgage	Apply for a loan from a bank mortgage investment real estate
Total	849,420,854.63		

VI. Investment status analysis

1. Overall situation

Applicable ☒ Not applicable

Investment in the reporting period (yuan)	Investment in the same period last year (yuan)	Range of change
272,416,488.50	349,988,146.35	-22.16%

2. Significant equity investments obtained during the reporting period

☒ Applicable Not Applicable

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

☒ Applicable Not Applicable

4. Financial assets measured at fair value

Applicable ☒ Not applicable

Unit: Yuan

Asset class	Initial investment cost	Gains and losses from changes in fair value for the current period	Changes in cumulative fair value included in equity	Amount purchased during the reporting period	Amount sold during the reporting period	Cumulative investment income	Other changes	Amount at the end of the period	Source of funds
other	65,000,000.00	648,443.85	0.00	129,000,000.00	64,473,424.67	22,700,055.87	0.00	65,175,019.18	Raise funds
Total	65,000,000.00	648,443.85	0.00	129,000,000.00	64,473,424.67	22,700,055.87	0.00	65,175,019.18	--

5. Use of raised funds

Applicable ☒ Not applicable

(1) Overall use of raised funds

Applicable ☒ Not applicable

Unit: ten thousand yuan

Total funds raised	84,908.98
The total amount of funds invested in the reporting period	2,236.48
The total amount of funds raised has been invested	78,630.06
The total amount of funds raised for change of purpose during the reporting period	0
The total amount of funds raised for cumulative change of purpose	25,000
The proportion of the total amount of funds raised for the cumulative change of purpose	29.44%
Description of the overall use of raised funds	
(1) The actual amount of funds raised and the time when the funds arrive in the account With the approval of the China Securities Regulatory Commission's "Approval for the Registration of the Initial Public Offering of Shenzhen Honor Electronic Co., Ltd." (Zheng Jian Li [2020] No. 1600), the company issued 25.30 million RMB ordinary shares (A shares) with a par value of RMB 1.00 per share at an issue price of	
RMB 36.81 per share, the total amount of funds raised from the issuance is RMB 931,293,000.00, after deducting the issuance expenses (excluding VAT) of RMB 82,203,175.63, the actual net amount of funds raised is RMB 849,089,824.37. The raised funds have been transferred to the company's designated account on August 17, 2020. Tianzhi International Accounting Firm (special general partnership) verified the availability of raised funds and issued "Tian Vocational Zi [2020] No. 34586" and "Shenzhen Honor Electronic Co., Ltd. Capital Verification Report". (2) The amount used in the current year and the balance at the end of the year	
The raised funds in 2020 have received 849,089,824.37 yuan. As of June 30, 2024, the accumulated investment is 786,300,624.70 yuan, the balance of the special account for raised funds is 89,017,230.23 yuan (including interest income and wealth management income), and the balance of cash management using idle raised funds is 65,000,000.00 yuan.	

(2) Projects committed to raising funds

Applicable ☒ Not applicable ☐

Unit: ten thousand yuan

Commitment to investment projects and over-raised funds	Whether the item has been changed (including some changes)	Net proceeds raised	Total committed investment of raised funds	Adjusted total investment (1)	Amount invested in the reporting period	Cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	The date when the project reaches the expected usable status	Benefits realized during the reporting period	Cumulative realized benefits as of the end of the reporting period	Whether the expected benefits are achieved	Whether the feasibility of the project has changed significantly
Commitment to investment projects												
Ganzhou Power Adapter Production Line Technical Transformation Project	No	7,984.58	7,984.58	7,984.58	61.23	3,387.13	42.42%	November 30, 2024			Not applicable	No
Ganzhou Power Adapter Expansion Project	Yes	30,275.52	30,275.52	5,275.52	420.46	5,488.65	104.04%	July 31, 2024	Realized income of RMB 27,976,900	Realized income of RMB 82,417,700	Not applicable	No

R & D center construction project	No	7,133	7,133	7,133	0	7,274.39	101.98%	September 30, 2022			Not applicable	No
Supplementary working capital	No	10,000	10,000	10,000	0	9,999.86	100.00%				Not applicable	No
Dongguan Honor Electron Information Equipment Manufacturing Center Project	No	0	0	25,000	1,754.79	24,355.63	97.42%	January 16, 2024	Realized income of 284.15 million yuan	Realized income of RMB 506,557,400	Yes	No
Subtotal of committed investment projects	--	55,393.1	55,393.1	55,393.1	2,236.48	50,505.66	--	--	Realized income of RMB 312,126,900	Realized income of 589,975,100 yuan	--	--
Over-raised funds invested												
Dongguan Power Adapter Expansion Project	No	4,800	4,800	4,800	0	4,824.01	100.50%	June 30, 2021	Realized income of 131,790,000 yuan	Realized income of 871,062,000 yuan	Yes	No
Over-raised funds to supplement working capital	No	8,500	8,500	8,500	0	8,500	100.00%				Not applicable	No
Shenzhen Honor Electron Power Technical Transformation Project	No	4,800.39	4,800.39	4,800.39	0	4,631.26	96.48%	June 21, 2022	Realized income of RMB 122.7 million	Realized income of RMB 465,048,000	Yes	No

Pay part of the purchase price of the property	No	10,000	10,000	10,000	0	10,000	100.00 %				Not applicable	No
Over-raised funds invested in subtotal	--	28,100.39	28,100.39	28,100.39	0	27,955.27	--	--	Realized income of 254,490,000 yuan	Realized income of 1,336,111 million yuan	--	--
Total	--	83,493.49	83,493.49	83,493.49	2,236.48	78,460.93	--	--	Realized income of RMB 566,616,900	Realized income of RMB 1,925,085,100	--	--
Sub-project description of the situation and reasons for not reaching the planned progress and expected benefits (including the reasons for selecting "not applicable" for "whether the expected benefits have been achieved")	<p>(1) Ganzhou power adapter production line technological transformation project: Due to the development of the industry in recent years, the power supply industry cluster has been formed, which has provided the company with a good R & D, production and sales environment. The company is in a rapid development stage as a whole. In combination with long-term development strategy, future business layout and customer orders and other factors, the production capacity layout and construction are carried out in a reasonable and orderly manner, and resources are allocated rationally and effectively to maximize benefits and synergies. In 2021, under the unfavorable environment such as the impact of force majeure, the tight supply of raw materials and the shortage of goods, the company considered the strategic layout, the plan to increase production capacity and the profit performance, and the progress of the project experienced a certain delay. Under the circumstance that the implementation subject, total investment amount and use of funds of the raised funds investment projects remain unchanged, according to the current actual construction progress of the raised funds investment projects, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022, and reviewed and approved the "Proposal on the Extension of Some Raised Investment Projects". Agreed to extend the project's available status date to November 30, 2024.</p> <p>(2) R&D; center construction project: Affected by the company's actual operating conditions, market environment, force majeure and other factors, the overall progress of the R&D; center project was slightly slower than expected. The company fully considered the project construction cycle and the use of funds. After careful consideration, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022. The "Proposal on Extension of Some Fund-raising Projects" was reviewed and approved, and it was agreed to extend the time for the project to reach the expected usable state until September 30, 2022. The R&D; center construction project does not produce direct economic benefits, but it can enhance the company's core technical capabilities and further enhance the company's core competitiveness.</p> <p>(3) Ganzhou power adapter expansion project: Due to the development of the industry in recent years, the power supply industry cluster has been formed, which has provided the company with a good environment for R & D, production and sales. The company is in a rapid development stage as a whole. Based on factors such as long-term development strategy, future business layout and customer orders, the company will rationally and orderly carry out production capacity layout and construction, allocate resources rationally and effectively, and strive to maximize benefits and synergies. In 2021, under the unfavorable environment such as the impact of force majeure, the tight supply of raw materials and the shortage of goods, the company considered the strategic layout, the plan to increase production capacity and the profit performance, and the progress of the project experienced a certain delay. Under the circumstance that the implementation subject, total investment amount and use of funds of the raised funds investment projects remain unchanged, according to the current actual construction progress of the raised funds investment projects, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022, and reviewed and approved the "Proposal on the Extension of Some Raised Investment Projects". Agreed to extend the project's available status date to July 31, 2024. The Ganzhou power adapter expansion project was affected by various factors such as the decline in macroeconomic growth, the decline in product average prices due to intensified industry competition, the narrowing of gross profit margin and the increase in labor costs, so the benefits were lower than planned.</p>											

<p>Descript ion of major changes in project feasibility</p>	<p>The company held the sixth meeting of the second board of directors in 2021 and the fifth meeting of the second board of supervisors in 2021 on July 16, 2021, and held the first extraordinary general meeting of shareholders in 2021 on August 2, 2021. The Proposal on Changing the Use of Part of the Funds Raised was reviewed and approved respectively. According to the company's long-term development strategy and the development status of the power adapter industry, in order to better support the company's business development needs, improve production capacity and product structure layout, improve the efficiency of the use of raised funds, and protect the interests of small and medium shareholders, after the company's research and decision, it is planned to change the use of part of the raised funds in the original "Ganzhou Power Adapter Expansion Project" and invest in the newly raised investment project "Dongguan Honor Electron Information Equipment Manufacturing Center Project". The amount of raised funds to be changed is 250 million yuan, accounting for 29.44% of the total net raised funds. The main body of the newly-raised investment project is Dongguan Honor Electron Electronics Co., Ltd., a wholly-owned subsidiary of the company.</p>
<p>The amount, purpose and progress of the use of over-raised funds</p>	<p>Applicable</p> <p>The first meeting of the second board of directors in 2020 and the first meeting of the second board of supervisors in 2020 held on September 17, 2020 reviewed and approved the "Proposal on Using Over-raised Funds to Invest in Dongguan Power Adapter Expansion Project and Open a Special Account for Raised Funds", agreed to use part of the over-raised funds to invest in the Dongguan Power Adapter Expansion Project, and plans to use over-raised funds of RMB 48.0 million to invest in the Dongguan Power Adapter Expansion Project. The project reached its expected usable status on June 30, 2021. The second meeting of the second board of directors in 2021 and the second meeting of the second board of supervisors in 2021 will be held on April 13, 2021. The 2020 annual general meeting of shareholders held on May 7, 2021 reviewed and approved the "Proposal on Permanently Supplementing Liquidity with Part of Over-raised Funds", agreeing that the company will use over-raised funds of RMB 85 million to permanently supplement liquidity to meet the company's daily operating needs. The supplementary working capital has been used up. On June 21, 2021, the company held the fourth meeting of the second board of directors in 2021 and the fourth meeting of the second board of supervisors in 2021. It reviewed and approved the "Proposal on Using Over-raised Funds to Invest in Shenzhen Honor Electron Power Transformation Project", agreed to use part of the over-raised funds to invest in Shenzhen Honor Electron Power Transformation Project, and plans to use RMB 48,003,900 of over-raised funds to invest in Shenzhen Honor Electron Power Transformation Project. The project reached its expected usable status on June 21, 2022. The committed investment amount of the project is 48,003,900 yuan, the actual investment amount is 46,312,600 yuan, and the remaining 1,691.3 million yuan is used to supplement the company's working capital. On October 11, 2021, the ninth meeting of the second board of directors in 2021 and the seventh meeting of the second board of supervisors in 2021 were held. The Proposal on Using Over-raised Funds to Pay Part of the Purchase Price of Real Estate was reviewed and approved, and it was agreed that the company should use over-raised funds of 100 million yuan to pay for part of the property price of the main commercial and podium building at No. 175 Hangcheng Avenue, Hangcheng Street, Bao'an District, Shenzhen. The funds have been used up. The unused amount of over-raised funds is RMB 14,154,900, and the investment direction has not yet been determined.</p>
<p>Changes in the implementation location of investment projects with raised funds</p>	<p>Not applicable</p>
<p>Adjustments to the implementation of investment projects with raised funds</p>	<p>Not applicable</p>

Preliminary investment and replacement of investment projects with raised funds	Applicable The amount of self-raised funds invested in advance investment projects and paid issuance expenses was 10.1511 million yuan. Tianzhi International Accounting Firm (special general partnership) verified the actual situation of the company's self-raised funds pre-invested in raised funds investment projects, and issued Tianjiaozi [2020] No. 35186 "Assurance Report on Shenzhen Honor Electronic Co., Ltd.'s Self-raised Funds Pre-invested in Raised Funds Investment Projects". The first meeting of the second board of directors of the company held on September 17, 2020 reviewed and approved the "Proposal on Using Raised Funds to Replace Pre-invested Fundraising Projects and Self-raised Funds That Have Paid Issuance Fees". The above funds have been replaced.
Free time	Not applicable
Temporary supplement of working capital with raised funds	
The amount and reason for the balance of raised funds in the implementation of the project	Applicable The committed investment amount of Shenzhen Honor Electron Power Transformation Project is RMB 48,003,900, the actual investment amount is RMB 46,312,600, the remaining RMB 1,691,300 is used to supplement the company's working capital, and the remaining funds of RMB 1,691,300 are due to the company actively promoting the implementation of procurement and cost reduction, reducing project construction costs, and saving the expenditure of raised funds during the implementation of raised investment projects.
The purpose and destination of the unused raised funds	As of June 30, 2024, the unused raised funds of RMB 24,017,200 were deposited in the company's special account for raised funds, and the idle raised funds of RMB 65 million (including idle over-raised funds of RMB 14,154,900) have not yet expired.
Problems or other circumstances in the use and disclosure of raised funds	Not applicable

(3) Change of projects with raised funds

Applicable ☒ Not applicable

Unit: ten thousand yuan

Changed project	Corresponding original commitment project	The total amount of funds to be invested in the project after the change (1)	Actual investment amount during the reporting period	Actual cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	The date when the project reaches the expected usable status	Benefits realized during the reporting period	Whether the expected benefits are achieved	Whether the feasibility of the project after the change has changed significantly
Dongguan Honor Electron Information Equipment Manufacturing Center Project	Ganzhou Power Adapter Expansion Project	25,000	1,754.79	24,355.63	97.42%	January 16, 2024	28,415	Yes	No
Total	--	25,000	1,754.79	24,355.63	--	--	28,415	--	--
Reasons for change, decision-making procedures and description of information disclosure (by specific items)			<p>The company held the sixth meeting of the second board of directors in 2021 and the fifth meeting of the second board of supervisors in 2021 on July 16, 2021, and held the first extraordinary general meeting of shareholders in 2021 on August 2, 2021. The Proposal on Changing the Use of Part of the Funds Raised was reviewed and approved respectively. The independent directors issued an agreed independent opinion, and the sponsor, Sinolink Securities Co., Ltd., issued a verification opinion. For details, please refer to the company's July 2021 The "Announcement on Changing the Use of Part of the Funds Raised" and related announcements disclosed on the Juchao Information Network (http://www.cninfo.com.cn) on June 17. The reason for this change of the company is firstly to take into account the gradual implementation of the strategic development plan, the Dongguan factory is close to the headquarters and it is relatively easy to recruit high-end R&D; technical talents and production workers, combined with production needs and logistics arrangements, the priority development of the Dongguan factory is in line with the company's current strategic development, and it is conducive to maximizing the company's interests and synergies, and further improving the industrial chain, so as to improve the efficiency of the use of raised funds and obtain the investment benefits of raised funds as soon as possible. Protect the interests of shareholders and small and medium investors. Secondly, the company has been deeply involved in the power adapter industry for many years and has established a good brand awareness and product reputation. In the future, the company will continue to expand its scale, expand product categories, continue to expand new markets and new customers, and seize the important development opportunities of the global power supply industry's transfer to China and the growth of downstream application market demand. The company's new fundraising projects will provide good support for the company's long-term development strategy. Based on the above reasons, the company decided to use the remaining RMB 250 million of the original fund-raising investment project "Ganzhou Power Adapter Expansion Project" for this new fund-raising project "Dongguan Honor Electron Information Equipment Manufacturing Center Project". As of June 30, 2024, the Dongguan Honor Electron Information Equipment Manufacturing Center project has invested a total of 243,556,300 yuan.</p>						
Circumstances and reasons for not reaching the planned schedule or expected benefits (by specific project)			Not applicable						

Description of major changes in the feasibility of the project after the change	No major changes in project feasibility
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6. Entrusted wealth management, derivative investment and entrusted loans

(1) Entrusted financial management

Applicable ☒ Not applicable

Overview of entrusted wealth management during the reporting period

Unit: ten thousand yuan

Specific type	Source of funds for entrusted financial management	Entrusted financial management amount	Unexpired balance	Overdue amount	The amount of impairment accrued for overdue financial management
Bank wealth management products	Raise funds	6,500	6,500	0	0
Total		6,500	6,500	0	0

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

☒ Applicable Not Applicable

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

☒ Applicable Not Applicable

(2) Derivatives investment

☒ Applicable Not Applicable

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

(3) Entrusted loans

☒ Applicable Not Applicable

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

VII. Sale of major assets and equity

1. Sale of major assets

■ Applicable Not Applicable

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

2. The sale of major equity

■ Applicable Not Applicable

VIII. Analysis of major holding companies

Applicable ■ Not applicable

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

Unit: Yuan

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Honor Electron (Ganzhou) Electronics Co., Ltd	Subsidiary	Mainly engaged in the production and processing of power adapters and other power products	126,675,603.00	225,517,397.05	161,024,974.43	86,106,995.29	3,469,764.08	3,046,147.89
Hong Kong Honor Electron Technology Co., Ltd	Subsidiary	Mainly engaged in overseas sales of power adapters and other power products	113,146,724.00	513,966,181.53	291,714,479.82	288,614,378.14	70,397,777.32	70,254,014.67
Dongguan Honor Electron Electronics Co., Ltd	Subsidiary	Mainly engaged in the research and development, production and sales of power adapters and other power products	208,000,000.00	595,552,313.14	132,107,267.66	244,309,292.96	-2,321,088.98	-2,354,183.75

Vietnam Honor Electron Technology Co., Ltd	Subsidiary	Mainly engaged in the production and overseas sales of power adapters and other power products	109,969,120.05	455,946,721.57	146,166,482.95	381,643,734.02	19,395,935.31	15,145,393.00
Hangzhou Yundian Technology Energy Co., Ltd	Subsidiary	Mainly engaged in the research and development of various power products and customer service	100,000,000.00	90,798,728.86	17,397,799.86	59,731,068.31	-3,167,905.24	-3,135,150.64
Suzhou Yundian Electronic Manufacturing Co., Ltd	Subsidiary	Mainly engaged in the research and development, production and sales of various power products	50,000,000.00	300,782,911.86	29,115,486.02	173,644,797.25	-11,745,333.53	-11,493,817.18
Shanghai Anshibo Energy Technology Co., Ltd	Participating company	Mainly engaged in the research and development of various power products and customer service	266,666,667.00	287,956,160.96	91,630,644.28	95,861,991.90	-40,321,106.11	-41,513,493.43

Acquisition and disposal of subsidiaries during the reporting period

Applicable ☒ Not applicable

Company name	The method of acquiring and disposing of subsidiaries during the reporting period	Impact on overall production operations and performance
MÉXICO HONOTO INDUSTRY S.A.de C.V.	Investment establishment	No significant impact

Description of the main holding companies

IX. Structured entities controlled by the company

☒ Applicable Not Applicable

X. Risks faced by the company and countermeasures

1. Market risk

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

2. The risk of price fluctuations of main raw materials

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

3. Exchange rate fluctuation risk

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

4. Risk of declining gross profit margin

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

5. Uncertain risks caused by force majeure

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

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

Applicable ☒ Not applicable

Reception time	Reception location	Reception	Reception object type	Reception object	The main content of the discussion and the information provided	Basic Information Index of the Survey
May 27, 2024	"Roadshow" website	Online communication on network platform	other	Investors	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on May 27, 2024"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on May 27, 2024"

12. Implementation of the "Quality and Return Double Improvement" action plan

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

■ whether

Section 4 Corporate Governance

I. The relevant information of the annual general meeting and extraordinary general meeting held during the reporting period

1. The general meeting of shareholders during the reporting period

Session	Meeting type	Investor participation ratio	Date	Disclosure date	Meeting resolutions
2023 Annual General Meeting	Annual general meeting	63.36%	May 15, 2024	May 15, 2024	Announcement on Resolutions of the 2023 Annual General Meeting of Shareholders (Announcement No.: 2024-017) Disclosure URL: www.cninfo.com.cn

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

■ Applicable Not Applicable

II. Changes in Directors, Supervisors and Senior Management of the Company

■ Applicable Not Applicable

The directors, supervisors and senior management of the company did not change during the reporting period. For details, please refer to the 2023 annual report.

III. Profit distribution and capitalization of capital reserve during the reporting period

Applicable ■ Not applicable

Bonus shares for every 10 shares (shares)	0
Dividend per 10 shares (yuan) (tax included)	3.07
The share capital base of the distribution plan (shares)	99,544,700
Cash dividend amount (yuan) (tax included)	30,560,222.90
Amount of cash dividends in other ways (such as repurchasing shares) (yuan)	0.00
Total cash dividends (including other methods) (yuan)	30,560,222.90
Distributable profit (yuan)	631,098,213.89
The ratio of total cash dividends (including other methods) to total profit distribution	100.00%
The cash dividend distribution	
If the company's development stage is in the growth period and has major capital expenditure arrangements, when the profit distribution is carried out, the proportion of cash dividends in this profit distribution should be at least 20%	
Detailed description of the plan for profit distribution or capital reserve transfer	

Based on the company's existing total share capital of 101,200,000 shares, excluding the balance of 1,655,300 shares in the company's current repurchase account (the company's shares held by the company through the special repurchase account will not participate in this profit distribution), a total of 99,544,700 shares will be distributed. Based on this, a cash dividend of RMB 3.07 (including tax) will be distributed to all shareholders for every 10 shares, and a total cash dividend of RMB 30,560,222.90 (including tax) will be distributed. No bonus shares will be given out in this distribution, and no capital reserve will be converted into share capital.

If after the distribution plan is released and before the implementation, the total share capital of the company changes due to share repurchase, equity incentive exercise, etc., the total share capital that the company can participate in the equity distribution will be adjusted according to the principle of unchanged total distribution.

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

■ Applicable Not Applicable

During the reporting period, the company did not have equity incentive plans, employee stock ownership plans or other employee incentive measures and their implementation.

Section 5 Environmental and Social Responsibility

I. Major environmental issues

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

■ whether

Administrative penalties for environmental issues during the reporting period

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

Refer to other environmental information disclosed by key pollutant discharge units

Not applicable

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

■ Applicable Not Applicable

Reasons for not disclosing other environmental information

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

II. Social Responsibility

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

(1) Protection of shareholders' rights and interests

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

(2) Protection of employees' rights and interests

The company protects the legitimate rights and interests of employees in accordance with the national "Labor Law", "Labor Contract Law" and other laws and regulations, and provides various guarantees for employees' career development and rights protection. The company has established a standardized performance appraisal system and a complete salary management system. The company actively fulfills its social responsibilities and employs 16 disabled employees. At the same time, it pays attention to the health and safety of employees and enriches the professional life of employees.

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

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

(3) Social responsibility and public welfare undertakings

The company always upholds social responsibility and actively supports the cause of hematopoietic stem cell donation. In March 2024, an employee of the company volunteered to donate hematopoietic stem cells and successfully saved the life of a patient with a blood disease. The China Hematopoietic Stem Cell Donor Database and Shenzhen Blood Center issued a certificate of appreciation and a letter of thanks to our company, commending the company's enthusiastic public welfare and charitable business style.

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

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

Section 6 Important Matters

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

■ Applicable Not Applicable

During the reporting period of the company, there were no commitments that were fulfilled by the company's actual controllers, shareholders, related parties, acquirers, and the company and other related parties during the reporting period and had not been fulfilled by the end of the reporting period.

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

■ Applicable Not Applicable

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

III. Violation of external guarantees

■ Applicable Not Applicable

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

IV. Appointment and Dismissal of Accounting Firms

Has the semi-annual financial report been audited?

■ whether

The company's semi-annual report has not been audited.

V. Explanation of the Board of Directors and the Board of Supervisors on the "non-standard audit report" of the accounting firm during the reporting period

■ Applicable Not Applicable

VI. Explanation of the Board of Directors on the "non-standard audit report" of the previous year

■ Applicable Not Applicable

VII. Matters related to bankruptcy and reorganization

■ Applicable Not Applicable

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

VIII. Litigation Matters

Major Litigation and Arbitration Matters

■ Applicable Not Applicable

During the reporting period, the company had no major lawsuits or arbitrations.

Other litigation matters

Applicable ■ Not applicable

Basic Information on Litigation (Arbitration)	Amount involved (ten thousand yuan)	Whether to form estimated liabilities	Litigation (Arbitration) Progress	Litigation (Arbitration) Results and Impact	Enforcement of Litigation (Arbitration) Judgments	Disclosure date	Disclosure Index
Other litigation matters that cumulatively do not meet the disclosure standards for major litigation	177.73	No	Some cases have been closed, some cases are still pending	No significant impact	Partially executed		Not applicable

IX. Punishment and rectification

■ Applicable Not Applicable

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

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

■ Applicable Not Applicable

XI. Major related party transactions

1. Related party transactions related to daily operations

■ Applicable Not Applicable

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

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

■ Applicable Not Applicable

During the reporting period, there were no related transactions involving the acquisition or sale of assets or equity.

3. Related party transactions of joint foreign investment

■ Applicable Not Applicable

During the reporting period, the company did not have any related transactions of joint foreign investment.

4. Related creditor's rights and debts

■ Applicable Not Applicable

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

5. Transactions with financial companies that have an associated relationship

■ Applicable Not Applicable

There is no deposit, loan, credit or other financial business between the company and the financial company with an associated relationship, the financial company controlled by the company and the related party.

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

■ Applicable Not Applicable

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

7. Other major related party transactions

Applicable ■ Not applicable

1. In order to divest the power module business of charging and swapping facilities, the company has sold the trademarks originally registered under the company's name involved in the power module business of charging and swapping facilities to Anshibo and Suzhou Bodian at the transfer price determined by the assessed value. For details, please refer to the "Announcement on Transfer of 60% Equity Interests in Wholly Owned Subsidiaries and Abandonment of Priority Subscription and Capital Contribution Rights and Related Party Transactions" (Announcement No.: 2023-068).

2. The company held the fourth meeting of the third board of directors in 2023 and the fourth meeting of the third board of supervisors in 2023 on December 4, 2023, and reviewed and approved the company's "Proposal on the Estimated Daily Related Transactions in 2024". The company and its subsidiaries are expected to have a total amount of daily related transactions with Anshibo and its subsidiary Bodian Yunke in 2024. The content of related party transactions is mainly to provide processing services to related parties. As of June 30, 2024, the company has no actual connected transactions with Anshibo and Bodian Yunke.

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

Temporary announcement name	Interim Announcement Disclosure Date	Temporary announcement discloses website name
"Announcement on Transfer of 60% Equity of Wholly Owned Subsidiary and Abandonment of Priority Subscription and Capital Contribution Rights and Related Party Transactions"	September 29, 2023	Juchao Information Network (www.cninfo.com.cn)
"Announcement on the Estimated Daily Operational Related Party Transactions in 2024"	December 06, 2023	Juchao Information Network (www.cninfo.com.cn)

XII. Major contracts and their performance

1. Custody, contracting and leasing matters

(1) Custody

■ Applicable Not Applicable

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

(2) Contracting situation

■ Applicable Not Applicable

There was no contract in the company during the reporting period.

(3) Leasing

Applicable ■ Not applicable

Lease description

In order to improve economic efficiency and expand its business scale, the company expanded the lease of some dormitories around the company during the reporting period to improve the living environment of employees; leased office space in Suzhou and Hangzhou for daily operation and office, and leased warehouses in Dongguan and Ganzhou for storage and turnover materials. The above rental prices are fair, and the lessor has no relationship with the company.

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

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

■ Applicable Not Applicable

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

2. Major guarantee

Applicable ■ Not applicable

Unit: ten thousand yuan

External guarantees of the company and its subsidiaries (excluding guarantees to subsidiaries)										
Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Actual date	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
Dongguan Honor Electron Electronics Co., Ltd	December 06, 2023	50,000.00	October 11, 2021	20,104.00	Joint liability guarantee			October 11, 2021 to October 10, 2029	No	No
Vietnam Honor Electron Technology Co., Ltd	December 06, 2023	10,000.00	March 21, 2024	3,547.10	Joint liability guarantee			March 21, 2024 to December 31, 2024	No	No

The total amount of external guarantees approved during the reporting period (A1)		0		The total actual amount of external guarantees during the reporting period (A2)		3,547.10				
The total amount of external guarantees approved at the end of the reporting period (A3)		130,000.00		The total balance of actual external guarantees at the end of the reporting period (A4)		23,651.10				
The company's guarantee to its subsidiaries										
Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Actual date	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
Subsidiary's guarantee to subsidiary										
Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Actual date	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
The total amount of company guarantees (that is, the total of the first three items)										
The total amount of approved guarantees during the reporting period (A1 + B1 + C1)		0		The total amount of guarantees actually incurred during the reporting period (A2 + B2 + C2)		3,547.10				
The total amount of guarantees approved at the end of the reporting period (A3 + B3 + C3)		130,000.00		The total actual guarantee balance at the end of the reporting period (A4 + B4 + C4)		23,651.10				
The proportion of the total actual guarantee (ie A4 + B4 + C4) to the company's net assets				12.41%						
Of which:										
Balance of guarantees provided to shareholders, actual controllers and their related parties (D)				0						
Debt guarantee balance provided directly or indirectly to guaranteed objects with asset-liability ratio exceeding 70% (E)				0						
Amount of total guarantees exceeding 50% of net assets (F)				0						
The total amount of the above three guarantees (D + E + F)				0						
For unexpired guarantee contracts, a description of the circumstances in which the guarantee liability occurred during the reporting period or there is evidence that it is possible to bear joint and several liability for repayment (if any)				Not applicable						
Explanation of providing external guarantee in violation of prescribed procedures (if any)				Not applicable						

Description of the specific circumstances of the use of compound guarantees

3. Major contracts for daily operations

Unit: Yuan

The name of the company that concluded the contract	The name of the other party to the contract	Total contract amount	Progress of contract performance	Amount of sales revenue recognized in the current period	Amount of accumulated sales revenue recognized	Accounts receivable collection	Whether there are major changes in the conditions affecting the performance of major contracts	Whether there is a significant risk that the contract cannot be performed

4. Other major contracts

■ Applicable Not Applicable

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

XIII. Explanation of other important matters

Applicable ■ Not applicable

With the approval of the China Securities Regulatory Commission Securities Regulatory Commission [2024] No. 219 document, the company issued 6,445,265 convertible corporate bonds to unspecified objects on July 5, 2024, each with a face value of 100 yuan, with a total issuance of 644,526,500 yuan. With the approval of the Shenzhen Stock Exchange, the company's convertible corporate bonds of RMB 644,526,500 will be listed and traded on the Shenzhen Stock Exchange from July 26, 2024. The abbreviation of the bonds is "European Convertible Bonds" and the bond code is "123241".

14. Major events of the company's subsidiaries

■ Applicable Not Applicable

Section 7 Changes in Shares and Shareholders

I. Changes in shares

1. Changes in shares

Unit:
share

	Before this change		Increase or decrease in this change (+, -)					After this change	
	Quantity	Proportion	Issue new shares	Bonus shares	Provident fund conversion	other	Subtotal	Quantity	Proportion
I. Shares subject to sales restrictions	0								
1. State shareholding	0								
2. State-owned legal person holding shares	0								
3. Other domestic shares	0								
Of which: domestic legal person holdings	0								
Domestic natural person holdings	0								
4. Foreign shareholding	0								
Of which: overseas legal person holdings	0								
Shares held by foreign natural persons	0								
II. Unrestricted Shares	101,200,000	100.00%						101,200,000	100.00%
1. RMB ordinary shares	101,200,000	100.00%						101,200,000	100.00%

2. Domestically listed foreign shares	0								
3. Foreign shares listed overseas	0								
4. Its	0								
He									
III. Total number of shares	101,200,000	100.00%						101,200,000	100.00%

Reasons for changes in shares

■ Applicable Not Applicable

Approval of changes in shares

■ Applicable Not Applicable

Transfer of share changes

■ Applicable Not Applicable

Progress in the implementation of share repurchase

■ Applicable Not Applicable

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

■ Applicable Not Applicable

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

Other disclosures deemed necessary by the company or required by securities regulators

■ Applicable Not Applicable

2. Changes in restricted shares

■ Applicable Not Applicable

II. Securities Issuance and Listing

■ Applicable Not Applicable

III. Number of shareholders and shareholding of the company

Unit:
share

Total number of common shareholders at the end of the reporting period	12,806		The total number of preferred shareholders whose voting rights were restored at the end of the reporting period (if any)		0		Total number of shareholders holding special voting shares (if any)	0
Shareholding of ordinary shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of Shareholders	Shareholding ratio	Number of shares held at the end of the reporting period	Changes during the reporting period	Number of shares subject to sales restrictions	The number of shares held without selling restrictions	Pledge, mark or freeze	
							Share status	Quantity
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	Domestic non-state-owned legal person	28.89%	29,234,023	0	0	29,234,023	Not applicable	0
Shenzhen Genoli Information Consulting Co., Ltd	Domestic non-state-owned legal person	28.89%	29,234,023	0	0	29,234,023	Pledge	12,200,000
Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.59%	3,635,231	0	0	3,635,231	Not applicable	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	1.56%	1,577,378	-224,471	0	1,577,378	Not applicable	0
Yang Ji	Domestic natural persons	1.13%	1,148,497	64,000	0	1,148,497	Not applicable	0

Dajia Assets-CMB C - Dajia Assets-Shengshi Selected No. 2 Collective Asset Management Product (Phase 2)	other	1.01%	1,021,019	433,614	0	1,021,019	Not applicable	0
Wells Fargo Fund-China Life Insurance Company Limited-Traditional Insurance-Wells Fargo Fund China Life Shares Growth Stock Traditional Available-for-sale Single Asset Management Plan	other	0.93%	939,129	-239,614	0	939,129	Not applicable	0
Wells Fargo Fund-China Life Insurance Co., Ltd. - Participating Insurance-Wells Fargo Fund China Life Growth Stock Group	other	0.87%	885,155	-293,500	0	885,155	Not applicable	0
Single Asset Management Plan (Available for Sale)								

China Life Insurance Co., Ltd.-own funds	other	0.82%	829,495	-1,123,760	0	829,495	Not applicable	0
China Merchants Bank Co., Ltd. - ICBC Credit Suisse Yuanxing Hybrid Securities Investment Fund	other	0.72%	726,082	0	0	726,082	Not applicable	0
Strategic investors or general legal persons become the top 10 shareholders due to the placement of new shares (if any) (see Note 3)		No						
Description of the above-mentioned shareholders' connected relationship or concerted action		The actual controllers of the company are Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsu and Wang Yuefei, and they act in concert. Among them, Wang Heqiu and Wang Yulin control 28.89% of the company's shares through Shenzhen Genoli Information Consulting Co., Ltd., Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsu and Wang Yuefei control 28.89% of the company's shares through Nanjing Wangyueke Wang Venture Capital Partnership (Limited Partnership), and Wang Heqiu is the executive partner and actual controller of Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership). In addition, the company does not know whether there is an associated relationship among the above-mentioned other shareholders, nor whether they are persons acting in concert as stipulated in the Administrative Measures for the Disclosure of Information Disclosure of Changes in Shareholding of Listed Companies.						
Explanation of the above shareholders involved in entrusted/entrusted voting rights and abstention from voting rights		No						
Special instructions for repurchase accounts among the top 10 shareholders (see Note 11)		The company repurchased 1,655,300 shares through a centralized auction transaction through a special securities repurchase account, accounting for 1.64% of the company's current total share capital.						
Shareholding of the top 10 shareholders with unrestricted sales conditions (excluding shares lent through refinancing and locked shares by executives)								
Name of shareholder	The number of unrestricted shares held at the end of the reporting period					Type of shares		
						Type of shares	Quantity	
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	29,234,023					RMB ordinary shares	29,234,023	
Shenzhen Genoli Information Consulting Co., Ltd	29,234,023					RMB ordinary shares	29,234,023	

Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership)	3,635,231	RMB ordinary shares	3,635,231
Hong Kong Securities Clearing Company Limited	1,577,378	RMB ordinary shares	1,577,378
Yang Ji	1,148,497	RMB ordinary shares	1,148,497
Dajia Assets-CMBC - Dajia Assets-Shengshi Featured No. 2 Collective Asset Management Product (Second Expect)	1,021,019	RMB ordinary shares	1,021,019
Wells Fargo Fund-China Life Insurance Company Limited-Traditional Insurance-Wells Fargo Fund China Life Shares Growth Stock Traditional Available-for-sale Single Asset Management Plan	939,129	RMB ordinary shares	939,129
Wells Fargo Fund-China Life Insurance Co., Ltd. - Participating Insurance-Wells Fargo Fund China Life Shares Growth Equity Portfolio Single Asset Management Plan (Available for Sale)	885,155	RMB ordinary shares	885,155
China Life Insurance Co., Ltd.-own funds	829,495	RMB ordinary shares	829,495
China Merchants Bank Co., Ltd. - ICBC Credit Suisse Yuanxing Hybrid Securities Investment Fund	726,082	RMB ordinary shares	726,082

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

Shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of tradable shares without selling restrictions participated in the refinancing business and lent shares

■ Applicable Not Applicable

The top 10 shareholders and the top 10 shareholders of tradable shares without selling restrictions have changed from the previous period due to refinancing, lending/return

■ Applicable Not Applicable

Whether the company has a voting rights difference arrangement

■ whether

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

■ whether

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

IV. The controlling shareholder or the largest shareholder of the company and its concerted parties have accumulated 80% of the pledged shares of the company

■ Applicable Not Applicable

V. Changes in shareholding of directors, supervisors and senior management

■ Applicable Not Applicable

There was no change in the shareholding of the company's directors, supervisors and senior management during the reporting period. For details, please refer to the 2023 annual report.

VI. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

■ Applicable Not Applicable

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

Change of actual controller during the reporting period

■ Applicable Not Applicable

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

Section 8 Relevant Information on Preferred Shares

■ Applicable Not Applicable

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

Section 9 Bond Related Information

■ Applicable Not
Applicable

Section X Financial Report

I. Audit report

Whether the semi-annual report is audited

■ whether

The company's semi-annual financial report has not been audited.

II. Financial Statements

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

1. Consolidated Balance Sheets

Prepared by: Shenzhen Honor Electronic Co., Ltd.

June 30, 2024

Unit: Yuan

Projects	Ending balance	Opening balance
Current assets:		
Monetary fund	630,846,879.94	669,082,320.25
Settlement reserve		
borrowed funds		
Trading financial assets	65,175,019.18	0.00
Derivative financial assets		
Notes receivable	135,547,099.13	162,177,531.62
Accounts Receivable	1,098,253,628.85	890,787,486.41
Receivables Financing	30,512,034.70	17,633,625.14
Advance payment	918,248.68	3,018,853.80
Premiums receivable		
Reinsurance accounts receivable		
Reserve for reinsurance contracts receivable		
Other receivables	19,960,227.69	73,876,951.61
Including: interest receivable	1,097,463.66	421,991.68
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	467,626,518.69	336,461,913.00
Among them: data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other Current Assets	68,290,781.38	22,798,520.43
Total current assets	2,517,130,438.24	2,175,837,202.26
Non-current assets:		
Issue loans and advances		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	84,952,882.86	95,121,442.43
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate	133,427,330.22	120,727,136.94
Fixed assets	975,426,877.69	1,013,803,559.64

Construction in progress	162,074,316.96	133,048,776.54
Productive biological assets		
Oil and gas assets		
Right-of-use asset	50,016,378.82	40,521,407.26
Intangible assets	69,414,071.89	71,828,871.13
Among them: data resources		
Development expenditure		
Among them: data resources		
Goodwill		
Long-term deferred expenses	112,646,881.30	55,978,141.31
Deferred Tax Assets	23,607,140.52	19,714,145.94
Other non-current assets	23,631,245.72	23,026,424.99
Total non-current assets	1,635,197,125.98	1,573,769,906.18
Total assets	4,152,327,564.22	3,749,607,108.44
Current Liabilities:		
Short-term loan	190,134,305.54	115,057,750.00
Borrowing from the Central Bank		
Borrowed funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	486,974,293.49	468,760,151.92
Account payables	974,533,125.93	737,489,565.72
Advance receipt	325,001.73	280,811.77
Contract liabilities	2,385,982.42	3,002,110.54
Financial assets sold for repurchase		
Deposits and interbank deposits		
Securities brokerage		
Securities underwriting agent		
Employee compensation payable	52,667,014.10	53,764,039.16
Taxes payable	14,334,005.19	12,190,591.69
Other payables	27,349,353.74	23,434,022.39
Including: interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	108,835,200.21	45,119,278.31
Other current liabilities	94,930,161.99	69,522,971.58
Total Current Liabilities	1,952,468,444.34	1,528,621,293.08
Non-Current Liabilities:		
Insurance contract reserves		
Long-term loan	237,719,673.82	319,550,000.10
Bonds payable		
Of which: preferred stock		
Perpetual bond		
Lease liabilities	31,301,765.29	26,432,950.93
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	17,496,171.65	8,835,651.83
Deferred Tax Liabilities	8,782,554.28	9,844,016.79
Other non-current liabilities		
Total Non-Current Liabilities	295,300,165.04	364,662,619.65
Total liabilities	2,247,768,609.38	1,893,283,912.73
Owners' equity:		
Capital stock	101,200,000.00	101,200,000.00
Other equity instruments		
Of which: preferred stock		
Perpetual bond		
Capital reserve	1,093,900,827.71	1,089,736,446.16

Less: treasury shares	62,600,689.07	62,600,689.07
Other comprehensive income	-4,531,075.24	3,778,013.64
Special reserve		
Surplus reserve	50,885,000.00	50,885,000.00
General risk preparation		
Undistributed profit	726,778,755.98	674,284,970.82
Total owner's equity attributable to parent Company	1,905,632,819.38	1,857,283,741.55
Minority interests	-1,073,864.54	-960,545.84
Total owner's equity	1,904,558,954.84	1,856,323,195.71
Total liabilities and owners' equity	4,152,327,564.22	3,749,607,108.44

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

2. Parent company balance sheet

Unit: Yuan

Projects	Ending balance	Opening balance
Current assets:		
Monetary fund	419,539,981.49	495,842,864.53
Trading financial assets	65,175,019.18	
Derivative financial assets		
Notes receivable	135,547,099.13	162,177,531.62
Accounts Receivable	1,404,308,376.57	951,854,200.13
Receivables Financing	30,512,034.70	17,633,625.14
Advance payment	618,302.54	2,448,340.02
Other receivables	26,945,210.42	95,521,231.52
Including: interest receivable	1,097,463.66	361,080.46
Dividends receivable		
Inventory	293,886,708.44	209,090,722.40
Among them: data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other Current Assets	40,303,917.80	4,655,839.77
Total current assets	2,416,836,650.27	1,939,224,355.13
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	168,571,875.00	165,955,625.00
Long-term equity investment	628,458,320.51	626,596,965.51
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate	130,671,581.01	120,727,136.94
Fixed assets	444,620,006.27	482,053,132.95
Construction in progress	46,323,035.29	76,541,829.03
Productive biological assets		
Oil and gas assets		
Right-of-use asset	19,077,230.26	26,070,649.00
Intangible assets	27,540,033.05	28,792,422.16
Among them: data resources		
Development expenditure		
Among them: data resources		
Goodwill		
Long-term deferred expenses	53,345,079.28	7,789,310.57
Deferred Tax Assets	16,342,773.95	14,922,378.87

Other non-current assets	7,334,018.98	6,931,935.59
Total non-current assets	1,542,283,953.60	1,556,381,385.62
Total assets	3,959,120,603.87	3,495,605,740.75
Current Liabilities:		
Short-term loan	130,134,305.54	95,057,750.00
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	547,811,875.66	488,760,151.92
Account payables	1,039,112,744.45	742,504,152.62
Advance receipt	325,001.73	280,811.77
Contract liabilities	2,385,982.42	2,264,234.85
Employee compensation payable	27,120,562.08	31,646,765.58
Taxes payable	5,709,594.99	9,108,899.78
Other payables	15,771,022.98	12,426,818.69
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	81,070,185.55	41,349,932.58
Other current liabilities	94,930,161.99	69,512,942.70
Total Current Liabilities	1,944,371,437.39	1,492,912,460.49
Non-Current Liabilities:		
Long-term loan	174,580,000.12	229,550,000.10
Bonds payable		
Of which: preferred stock		
Perpetual bond		
Lease liabilities	9,791,796.82	16,553,101.38
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	11,371,174.60	7,935,651.84
Deferred Tax Liabilities	4,522,842.41	6,306,859.61
Other non-current liabilities		
Total Non-Current Liabilities	200,265,813.95	260,345,612.93
Total liabilities	2,144,637,251.34	1,753,258,073.42
Owners' equity:		
Capital stock	101,200,000.00	101,200,000.00
Other equity instruments		
Of which: preferred stock		
Perpetual bond		
Capital reserve	1,093,900,827.71	1,089,736,446.16
Less: treasury shares	62,600,689.07	62,600,689.07
Other comprehensive income		
Special reserve		
Surplus reserve	50,885,000.00	50,885,000.00
Undistributed profit	631,098,213.89	563,126,910.24
Total owner's equity	1,814,483,352.53	1,742,347,667.33
Total liabilities and owners' equity	3,959,120,603.87	3,495,605,740.75

3. Consolidated income statement

Unit: Yuan

Projects	Semi-annual 2024	Semi-annual 2023
I. Total operating income	1,599,246,706.68	1,295,323,159.35
Including: operating income	1,599,246,706.68	1,295,323,159.35
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating cost	1,472,984,216.71	1,281,202,353.42
Including: operating cost	1,264,283,479.02	1,044,019,887.87
Interest expense		
Fees and commissions		
Surrender money		
Net compensation expense		
Withdrawal of net insurance liability reserves		
Policy dividend payout		
Reinsurance fees		
Taxes & surcharges	5,226,524.78	5,043,583.90
Selling expense	45,403,144.92	33,463,610.20
Administration expense	69,975,542.95	90,462,812.61
R&D; expenses	102,663,290.33	111,724,546.35
Finance expense	-14,567,765.29	-3,512,087.51
Including: interest expense	8,653,369.00	10,579,985.68
Interest income	7,260,774.98	2,306,020.49
Plus: other income	8,812,184.40	3,981,669.22
Investment income (losses are listed with "- ")	-13,839,166.39	537,486.64
Including: investment income in associates and joint ventures	-14,332,941.12	-34,248.76
Derecognition of financial assets measured at amortized cost		
Exchange gains (losses are listed with "- ")		
Net exposure hedging gains (losses are listed with "- ")		
Gain from change in fair value (losses are listed with "- ")	175,019.18	777,517.81
Credit impairment loss (losses are listed with "- ")	-9,148,620.63	-4,550,129.27
Asset impairment loss (losses are listed with "- ")	-12,788,995.21	-2,457,731.79
Asset disposal gains (losses are listed with "- ")	371,645.02	-30,928.80
III. Operating profit (losses are listed with "- ")	99,844,556.34	12,378,689.74
Plus: non-operating income	1,317,291.90	382,549.04
Less: non-operating expenses	2,582,738.21	522,233.74
IV. Total profit (total loss is listed with "- ")	98,579,110.03	12,239,005.04
Less: income tax expense	12,353,445.57	5,158,944.75
V. Net profit (net loss is listed with "- ")	86,225,664.46	7,080,060.29
(1) Classified by business continuity		
1. Net profit from continuing operations (net loss is listed with "- ")	86,225,664.46	7,080,060.29
2. Net profit from discontinued operations (net loss is listed with "- ")		
(2) Classification by ownership		

1. Net profit attributable to shareholders of the parent company (net loss is listed with "- ")	86,338,983.16	8,351,635.88
2. Minority shareholders' gains and losses (net losses are listed with "- ")	-113,318.70	-1,271,575.59
VI. Net after-tax other comprehensive income	-8,309,088.88	11,106,714.14
After-tax net of other comprehensive income attributable to owners of the parent company	-8,309,088.88	11,106,714.14
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measurement of defined benefit plan changes		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss	-8,309,088.88	11,106,714.14
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash Flow Hedge Reserve		
6. Translation differences of foreign currency financial statements	-8,309,088.88	11,106,714.14
7. Other		
Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	77,916,575.58	18,186,774.43
Total comprehensive income attributable to owners of the parent company	78,029,894.28	19,458,350.02
Total comprehensive income attributable to minority shareholders	-113,318.70	-1,271,575.59
VIII. Earnings per share:		
(1) Basic earnings per share	0.85	0.08
(2) Diluted earnings per share	0.85	0.08

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

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

4. Income statement of the parent company

Unit: Yuan

Projects	Semi-annual 2024	Semi-annual 2023
I. Operating income	1,574,871,224.00	1,188,314,807.62
Less: operating costs	1,315,730,059.72	1,014,524,593.40
Taxes & surcharges	3,177,374.53	4,368,504.46
Selling expense	34,656,810.27	24,846,724.86
Administration expense	41,591,849.05	48,783,295.04
R&D; expenses	59,000,717.09	54,668,554.30
Finance expense	-13,423,973.62	-5,266,727.63
Including: interest expense	6,041,870.46	8,673,908.56
Interest income	8,935,673.23	5,435,088.03
Plus: other income	4,516,895.28	3,254,913.31
Investment income (losses are listed with "- ")	-13,829,601.88	231,589.04
Including: investment income in associates and joint ventures	-14,303,026.55	
Derecognition of financial assets measured at amortized cost		
Net exposure hedging gains (losses are listed with "- ")		
Gain from change in fair value (losses are listed with "- ")	175,019.18	777,517.81
Credit impairment loss (losses are listed with "- ")	-1,844,848.45	-1,101,991.26
Asset impairment loss (losses are listed with "- ")	-11,178,668.66	-792,469.99
Asset disposal gains (losses are listed with "- ")	355,599.41	183,566.27
II. Operating profit (losses are listed with "- ")	112,332,781.84	48,942,988.37
Plus: non-operating income	34,222.96	520.84
Less: non-operating expenses	2,090,389.48	483,168.69
III. Total profit (total loss is listed with "- ")	110,276,615.32	48,460,340.52
Less: income tax expense	8,460,113.67	531.33
IV. Net profit (net loss is listed with "- ")	101,816,501.65	48,459,809.19
(1) Net profit from continuing operations (net loss is listed with "- ")	101,816,501.65	48,459,809.19
(2) Net profit from discontinued operations (net loss is listed with "- ")		
V. Net after-tax other comprehensive income		
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measurement of defined benefit plan changes		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		

4. The fair value of the enterprise's own credit risk		
Change		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash Flow Hedge Reserve		
6. Translation differences of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	101,816,501.65	48,459,809.19
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated cash flow statement

Unit: Yuan

Projects	Semi-annual 2024	Semi-annual 2023
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	1,297,393,219.90	1,082,618,834.72
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposits and investment funds of policyholders		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from brokerage of securities		
Tax refunds received	18,778,740.52	58,067,061.51
Receive other cash related to operating activities	142,455,243.90	92,215,409.60
Subtotal of cash inflow from operating activities	1,458,627,204.32	1,232,901,305.83
Cash paid for purchasing goods and accepting labor services	855,794,537.55	610,193,508.13
Net increase in loans and advances to customers		

Net increase in deposits with central banks and interbanks		
Cash for payment of original insurance contract claims		
Net increase in borrowing funds		
Cash for payment of interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to and for employees	268,541,426.91	255,427,418.44
Taxes paid	34,118,730.53	28,768,887.26
Other cash payments related to operating activities	235,145,766.79	154,178,308.81
Subtotal of cash outflows from operating activities	1,393,600,461.78	1,048,568,122.64
Net cash flow from operating activities	65,026,742.54	184,333,183.19
II. Cash flow from investing activities:		
Cash received from investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	812,449.93	
Net cash received from disposal of subsidiaries and other business units	44,000,000.00	
Receipt of other cash related to investing activities	85,851,361.49	120,600,624.18
Subtotal of cash inflows from investing activities	130,663,811.42	120,600,624.18
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	143,416,488.50	126,988,146.35
Cash paid for investments		
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments related to investing activities	129,000,000.00	223,000,000.00
Subtotal of cash outflows from investing activities	272,416,488.50	349,988,146.35
Net cash flows from investing activities	-141,752,677.08	-229,387,522.17
III. Cash flow from financing activities:		
Cash received from investment		
Including: cash received by the subsidiary from absorbing minority shareholders' investment		
Cash received from borrowing	100,000,000.00	115,000,000.00
Other cash received in connection with financing activities	60,000,000.00	
Subtotal of cash inflows from financing activities	160,000,000.00	115,000,000.00
Cash paid for debt repayment	63,923,442.08	92,419,999.98
Cash paid for distribution of dividends, profits or interest payments	41,229,218.58	18,520,568.33
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	55,105,485.24	24,172,427.44
Subtotal of cash outflows from financing activities	160,258,145.90	135,112,995.75
Net cash flow from financing activities	-258,145.90	-20,112,995.75
IV. The impact of exchange rate changes on cash and cash equivalents	9,328,617.31	152,195.79

V. Net increase in cash and cash equivalents	-67,655,463.13	-65,015,138.94
Add: balance of cash and cash equivalents at the beginning of the period	527,879,261.54	438,009,246.87
VI. Balance of cash and cash equivalents at the end of the period	460,223,798.41	372,994,107.93

6. Parent company cash flow statement

Unit: Yuan

Projects	Semi-annual 2024	Semi-annual 2023
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	1,073,268,607.98	1,027,421,227.98
Tax refunds received	18,778,740.52	45,808,889.72
Receive other cash related to operating activities	133,132,284.25	89,625,239.69
Subtotal of cash inflow from operating activities	1,225,179,632.75	1,162,855,357.39
Cash paid for purchasing goods and accepting labor services	901,491,322.26	657,672,266.58
Cash paid to and for employees	130,202,308.57	126,350,111.98
Taxes paid	16,691,038.99	18,842,807.69
Other cash payments related to operating activities	204,196,758.18	130,578,298.96
Subtotal of cash outflows from operating activities	1,252,581,428.00	933,443,485.21
Net cash flow from operating activities	-27,401,795.25	229,411,872.18
II. Cash flow from investing activities:		
Cash received from investment		
Cash received from investment income		
Disposal of fixed assets, intangible assets and other long-term	720,000.00	
Net cash received from assets		
Net cash received from disposal of subsidiaries and other business units	44,000,000.00	
Receipt of other cash related to investing activities	64,473,424.67	131,303,061.26
Subtotal of cash inflows from investing activities	109,193,424.67	131,303,061.26
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	52,228,013.45	32,975,767.90
Cash paid for investments	12,000,000.00	63,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments related to investing activities	129,000,000.00	263,000,000.00
Subtotal of cash outflows from investing activities	193,228,013.45	358,975,767.90
Net cash flows from investing activities	-84,034,588.78	-227,672,706.64
III. Cash flow from financing activities:		
Cash received from investment		
Cash received from borrowing	100,000,000.00	50,000,000.00
Other cash received in connection with financing activities		
Subtotal of cash inflows from financing activities	100,000,000.00	50,000,000.00

Cash paid for debt repayment	54,969,999.98	82,419,999.98
Cash paid for distribution of dividends, profits or interest payments	39,253,696.36	16,911,457.21
Other cash payments related to financing activities	29,737,279.40	20,171,697.46
Subtotal of cash outflows from financing activities	123,960,975.74	119,503,154.65
Net cash flow from financing activities	-23,960,975.74	-69,503,154.65
IV. The impact of exchange rate changes on cash and cash equivalents	8,426,353.91	-167,657.04
V. Net increase in cash and cash equivalents	-126,971,005.86	-67,931,646.15
Add: balance of cash and cash equivalents at the beginning of the period	375,887,905.82	261,581,424.97
VI. Balance of cash and cash equivalents at the end of the period	248,916,899.96	193,649,778.82

7. Consolidated Statement of Changes in Owners' Equity

Amount for the current period

Unit: Yuan

Projects	Semi-annual 2024														
	Owners' equity attributable to the parent company													Minority interests	Total owner's equity
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk preparation	Undistributed profit	other			
		Preferred stock	Perpetual bond	other											
I. Balance at the end of the previous year	101,200,000.00				1,089,736,446.16	62,600,689.07	3,778,013.64		50,885,000.00		674,284,970.82		1,857,283,741.55	-960,545.84	1,856,323,195.71
Plus: accounting policy changes															
Correction of previous errors															
Its															
He															
II. Balance at the beginning of the year	101,200,000.00				1,089,736,446.16	62,600,689.07	3,778,013.64		50,885,000.00		674,284,970.82		1,857,283,741.55	-960,545.84	1,856,323,195.71
III. Amount of change in the current period (decrease is listed with "-")					4,164,381.55		-8,309,088.88				52,493,785.16		48,349,077.83	-113,318.70	48,235,759.13
(1) Total comprehensive income							-8,309,088.88				86,338,983.16		78,029,894.28	-113,318.70	77,916,575.58

(2) Owner input and reduction of capital															
1. Common stock invested by the owner															
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payment included in owner's equity															
4. Other															
(3) Profit distribution											-33,845,198.00		-33,845,198.00		-33,845,198.00
1. Withdrawal of surplus reserves															
2. Take general risk reserves															
3. Distribution to owners (or shareholders)											-33,845,198.00		-33,845,198.00		-33,845,198.00
4. Other															
(4) Internal carry-over of owners' equity															
1. Capital reserve is converted into capital															
(or share capital)															
2. Conversion of surplus reserves to capital (or share capital)															
3. Surplus reserve to cover losses															
4. Defined benefit plan changes carried forward to retained earnings															

5. Other comprehensive income carried forward to retained earnings															
6. Other															
(5) Special reserve															
1. Withdrawal in this period															
2. Use in this period															
(6) Other					4,164,381.55							4,164,381.55		4,164,381.55	
IV. Balance at the end of the period	101,200,000.00				1,093,900,827.71	62,600,689.07	-4,531,075.24		50,885,000.00		726,778,755.98		1,905,632,819.38	-1,073,864.54	1,904,558,954.84

Amount of the previous year

Unit: Yuan

Projects	Semi-annual 2023														
	Owners' equity attributable to the parent company													Mino rity in terest s	Total owne r's eq uity
	Capit al stock	Other equity instruments			Capit al res erve	Less: treasu ry shares	Other comp rehen sive i ncome	Speci al res erve	Surpl us res erve	Gener al risk prepar ation	Undis tribut ed profit	other			
Prefer red stock		Perpe tual bond	other												
I. Balance at the end of the previous year	101,770,000.00				1,063,935,917.21	81,287,282.67	4,644,705.10		50,885,000.00		487,318,105.48		1,627,266,445.12	680,425.04	1,627,946,870.16
Plus: accounting policy changes											259,266.02		259,266.02	-1,567.16	257,698.86
Correction of previous errors															
other															
II. Balance at the beginning of the year	101,770,000.00				1,063,935,917.21	81,287,282.67	4,644,705.10		50,885,000.00		487,577,371.50		1,627,525,711.14	678,857.88	1,628,204,569.02
III. Amount of change in the current period (decrease is listed with "-")	-203,800.00				33,427,988.79	-6,697,718.00	11,106,714.14				-705,743.27		50,322,877.66	-1,271,575.59	49,051,302.07

(1) Total comprehensive income							11,106,714.14				8,351,635.88		19,458,350.02	-1,271,575.59	18,186,774.43
(2) Owner input and reduction of capital	-203,800.00				33,427,988.79	-6,697,718.00							39,921,906.79		39,921,906.79
1. Common stock invested by the owner	-203,800.00				-6,596,161.22								-6,799,961.22		-6,799,961.22
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payment included in owner's equity					40,024,150.01	-6,697,718.00							46,721,868.01		46,721,868.01
4. Other															
(3) Profit distribution											-9,057,379.15		-9,057,379.15		-9,057,379.15
1. Withdrawal of surplus reserves															
2. Take general risk reserves															
3. Distribution to owners (or shareholders)											-9,057,379.15		-9,057,379.15		-9,057,379.15
4. Other															
(4) Internal carry-over of owners' equity															
1. Capital reserve is converted into capital (or share capital)															
2. Conversion of surplus reserves to capital (or share capital)															
3. Surplus reserve to cover losses															
4. Defined benefit plan changes carried forward to retained earnings															

5. Other comprehensive income carried forward to retained earnings															
6. Other															
(5) Special reserve															
1. Withdrawal in this period															
2. Use in this period															
(6) Other															
IV. Balance at the end of the period	101,566,200.00				1,097,363,906.00	74,589,564.67	15,751,419.24		50,885,000.00		486,871,628.23		1,677,848,588.80	-592,717.71	1,677,255,871.09

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

Amount for the current period

Unit: Yuan

Projects	Semi-annual 2024											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	other	Total owner's equity
		Preferred stock	Perpetual bond	other								
I. Balance at the end of the previous year	101,200,000.00				1,089,736,446.16	62,600,689.07			50,885,000.00	563,126,910.24		1,742,347,667.33
Plus: accounting policy changes												
Correction of previous errors												
other												
II. Current Year	101,200,000.00				1,089,736,446.16	62,600,689.07			50,885,000.00	563,126,910.24		1,742,347,667.33
Initial balance	0.00				446.16	.07			.00	0.24		667.33
III. Amount of change in the current period (decrease is listed with "-")					4,164,381.55					67,971,303.65		72,135,685.20
(1) Total comprehensive income										101,816,501.65		101,816,501.65

(2) Owner input and reduction of capital												
1. Common stock invested by the owner												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in owner's equity												
4. Other												
(3) Profit distribution										-33,845,198.00		-33,845,198.00
1. Withdrawal of surplus reserves												
2. Distribution to owners (or shareholders)										-33,845,198.00		-33,845,198.00
3. Other												
(4) Internal carry-over of owners' equity												
1. Capital reserve is converted into capital (or share capital)												
2. Conversion of surplus reserves to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Defined benefit plan changes carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Other												

(5) Special reserve												
1. Withdrawal in this period												
2. Use in this period												
(6) Other					4,164,381.55							4,164,381.55
IV. Balance at the end of the period	101,200,000.00				1,093,900,827.71	62,600,689.07			50,885,000.00	631,098,213.89		1,814,483,352.53

Amount of the previous period

Unit: Yuan

Projects	Semi-annual 2023											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	other	Total owner's equity
		Preferred stock	Perpetual bond	other								
I. Balance at the end of the previous year	101,770,000.00				1,063,935,917.21	81,287,282.67			50,885,000.00	510,269,718.18		1,645,573,352.72
Plus: accounting policy changes										147,984.30		147,984.30
Correction of previous errors												
other												
II. Balance at the beginning of the year	101,770,000.00				1,063,935,917.21	81,287,282.67			50,885,000.00	510,417,702.48		1,645,721,337.02
III. Amount of change in the current period (decrease is listed with "-")	-203,800.00				33,427,988.79	-6,697,718.00				39,402,430.04		79,324,336.83
(1) Total comprehensive income										48,459,809.19		48,459,809.19
(2) Owner input and reduction of capital	-203,800.00				33,427,988.79	-6,697,718.00						39,921,906.79
1. Common stock invested by the owner	-203,800.00				-6,596,161.22							-6,799,961.22
2. Other rights												
Benefit instrument holders invest capital												

3. Amount of share-based payment included in owner's equity					40,024,150.01	-6,697,718.00						46,721,868.01
4. Other												
(3) Profit distribution										-9,057,379.15		-9,057,379.15
1. Withdrawal of surplus reserves												
2. Distribution to owners (or shareholders)										-9,057,379.15		-9,057,379.15
3. Other												
(4) Internal carry-over of owners' equity												
1. Capital reserve is converted into capital (or share capital)												
2. Conversion of surplus reserves to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Defined benefit plan changes carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Other												
(5) Special reserve												
1. Withdrawal in this period												
2. Use in this period												
(6) Other												
IV. Balance at the end of the period	101,566,200.00				1,097,363,906.00	74,589,564.67			50,885,000.00	549,820,132.52		1,725,045,673.85

III. Basic information of the company

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

Legal representative: Wang Heqiu

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

Financial statement approval date: The financial statements were approved by the board of directors of the company on August 27, 2024.

IV. Basis for Preparation of Financial Statements

1. Compilation basis

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

2. Continuing operations

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

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates tips:

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

1. Statement of compliance with Accounting Standards for Business Enterprises

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

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

2. Accounting period

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

3. Business cycle

The company takes 12 months as a business cycle.

4. Standard currency for bookkeeping

The company uses Renminbi as the functional currency for bookkeeping.

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

Applicable ■ Not applicable

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

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

1. Accounting treatment of business combinations under the same control

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

2. Accounting treatment of business combinations not under common control

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Identification and classification of joint venture arrangements

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

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

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

2. Accounting treatment of joint venture arrangements

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

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

9. Criteria for determining cash and cash equivalents

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

10. Foreign currency business and foreign currency statement translation

1. Foreign currency business translation

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

2. Translation of foreign currency financial statements

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

11. Financial instruments

1. Confirmation and derecognition of financial instruments

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

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

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

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

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

2. Classification and measurement of financial assets

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

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

(1) Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

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

3. Classification and measurement of financial liabilities

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

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

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

Subsequent measurement of financial liabilities depends on their classification:

(1) Financial liabilities measured at amortized cost

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

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

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

4. Offsetting of financial instruments

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

5. Impairment of financial assets

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

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

(1) General model of expected credit loss

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

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

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

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

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

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

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

The third stage: credit impairment occurs after initial recognition

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

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

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

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

(3) Receivables and lease receivables

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

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

6. Transfer of financial assets

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

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

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

12. Notes receivable

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

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

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

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

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

13. Accounts receivable

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

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

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

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

1. At the end of the period, the accounts receivable with objective evidence that they have been impaired shall be separately tested for impairment, and the impairment loss shall be recognized according to the difference between the present value of its estimated future cash flows and its book value, and the provision for bad debts shall be made.

2. When a single financial asset cannot evaluate the information of expected credit loss at a reasonable cost, it is feasible to evaluate whether the credit risk has increased significantly on the basis of combination. On the basis of the actual loss rate of accounts receivable in previous years, the judgment of future recovery risk and the analysis of credit risk characteristics, the Company determines the expected credit loss rate and makes provision for bad debts accordingly.

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

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

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

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

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

14. Accounts receivable financing

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

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

15. Other receivables

The determination method and accounting treatment method of expected credit loss of other receivables

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

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

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

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

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

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

16. Contract assets

1. Recognition method and standard of contract assets

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

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

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

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

17. Inventory

1. Classification of inventory

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

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

2. Valuation method for issued inventory

The issued inventory adopts the weighted average method at the end of the month.

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

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

4. Inventory system

The inventory system adopts the perpetual inventory system.

5. Amortization method of low-value consumables and packaging

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

18. Long-term equity investment

1. Determination of investment cost

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

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

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

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

2. Subsequent measurement and profit and loss recognition method

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

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

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

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

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

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

4. Disposal of long-term equity investments

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

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

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

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

5. Impairment test method and impairment provision method

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

19. Investment real estate

Investment real estate measurement model

Cost method measurement

Depreciation or amortization method

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

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

20. Fixed assets

(1) Confirmation conditions

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

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

(2) Depreciation method

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

21. Construction in progress

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

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

22. Borrowing costs

1. Recognition principles for capitalization of borrowing costs

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

2. Period of capitalization of borrowing costs

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

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

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

3. Capitalized amount of borrowing costs

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

23. Intangible assets

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

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

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

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

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

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

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

24. Long-term deferred expenses

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

25. Contract liabilities

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

26. Employee compensation

(1) Accounting treatment of short-term compensation

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

(2) Accounting treatment of post-employment benefits

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

(3) Accounting treatment of dismissal benefits

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

27. Share-based payment

1. Types of share-based payments

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

2. How to determine the fair value of equity instruments

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

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

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

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

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

(1) Equity-settled share-based payments

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

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

(2) Cash-settled share-based payments

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

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

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

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

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

28. Income

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

1. Recognition of revenue

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

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

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

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

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

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

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

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

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

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

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

The specific policy of the company's revenue recognition:

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

3. Income measurement

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

(1) Variable consideration

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

(2) Significant financing component

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

(3) Non-cash consideration

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

(4) Consideration payable to customers

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

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

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

29. Government subsidies

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

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

3. Government subsidies use the gross method:

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

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

4. Government subsidies use the net method:

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

(2) Government subsidies related to income, which are used to compensate related expenses or losses in subsequent periods, are recognized as deferred income, and the relevant costs are offset during the period when the relevant expenses are recognized; if they are used to compensate related expenses or losses that have been incurred, the relevant costs are directly offset.

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

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

7. The company will include the government subsidies related to the company's daily activities as other income according to the economic and business substance; the government subsidies that are not related to the company's daily activities should be included in the non-operating income and expenditure.

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

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

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

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

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

30. Deferred Tax Assets/Deferred Tax Liabilities

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

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

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

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

31. Lease

(1) Accounting treatment method for lease as lessee

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

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

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

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

(2) Accounting treatment method for lease as lessor

(1) Finance lease

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

(2) Operating lease

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

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

32. Changes in significant accounting policies and accounting estimates

(1) Changes in important accounting policies

■ Applicable Not Applicable

(2) Changes in significant accounting estimates

■ Applicable Not Applicable

(3) From 2024 onwards, the new accounting standards will be implemented for the first time to adjust the items related to the financial statements at the beginning of the year

■ Applicable Not Applicable

VI. Taxes

1. Main taxes and tax rates

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

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

Taxpayer name	Income tax rate
Shenzhen Honor Electronic Co., Ltd.	15%
Honor Electron (Ganzhou) Electronics Co., Ltd	15%
Dongguan Honor Electron Electronics Co., Ltd	15%
Hong Kong Honor Electron Technology Co., Ltd	16.5%
Vietnam Honor Electron Technology Co., Ltd	20%
Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch	20%
(USA) Axnon LLC	21%
Hangzhou Yundian Technology Energy Co., Ltd	15%
Shenzhen Honor Electron Zhilian Technology Co., Ltd	25%
Suzhou Yundian Electronic Manufacturing Co., Ltd	25%
Shanghai Honor Electron Electronic Technology Co., Ltd	25%

2. Tax incentives

Note 1: On December 23, 2021, Shenzhen Science and Technology Innovation Commission, Shenzhen Municipal Finance Bureau, and Shenzhen Taxation Bureau of the State Administration of Taxation identified the company as a high-tech enterprise (certificate number: GR202144204471), valid for three years, and the company enjoys a preferential tax rate of 15%. Note 2: According to the relevant tax policies of the Announcement on Continuing the Enterprise Income Tax Policy for the Western Development by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation (Announcement No. 23 of 2020 of the Ministry of Finance), from January 1, 2021 to December 31, 2030, the enterprise income tax will be levied at a reduced rate of 15% for enterprises in encouraged industries located in the western region. Honor Electron (Ganzhou) Electronics Co., Ltd. enjoys preferential corporate income tax policies.

Note 3: On December 28, 2023, Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, and Guangdong Provincial Taxation Bureau of the State Administration of Taxation identified Dongguan Honor Electron as a high-tech enterprise (certificate number: GR 202344007059), valid for three years, and Dongguan Honor Electron enjoys a preferential tax rate of 15%.

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

VII. Notes to items in the consolidated financial statements

1. Monetary funds

Unit: Yuan

Projects	Ending balance	Opening balance
Cash on hand	60,626.68	27,752.25
Bank deposit	452,725,732.74	520,421,625.93
Other monetary funds	178,060,520.52	148,632,942.07
Total	630,846,879.94	669,082,320.25
Including: the total amount of money deposited abroad	169,271,818.87	104,637,246.17

Other instructions

The balance of other monetary funds at the end of the period was 178,060,520.52 yuan, of which the ending balance of the raised funds account for investment funds was 3,370.98 yuan, the ending balance of the special securities account for repurchase was 7,434,068.01 yuan, the ending balance of the bank acceptance bill margin was 168,970,160.75 yuan, and the ending balance of funds frozen for sales contract disputes was 1,652,920.78 yuan; Among them, the bank acceptance bill deposit is 168,970,160.75 yuan, and the funds frozen in the sale and purchase contract disputes are 1,652,920.78 yuan as restricted funds.

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

2. Transactional financial assets

Unit: Yuan

Projects	Ending balance	Opening balance
Financial assets measured at fair value and whose changes are included in the current profit and loss	65,175,019.18	0.00
Of which:		
Structured deposits	65,175,019.18	0.00
Of which:		
Total	65,175,019.18	0.00

Other instructions:

3. Notes receivable

(1) Classification of bills receivable

Unit: Yuan

Projects	Ending balance	Opening balance
Bank acceptance note	99,485,563.04	143,980,667.52
Commercial acceptance note	37,959,511.67	19,154,593.79
Provision for bad debts	-1,897,975.58	-957,729.69
Total	135,547,099.13	162,177,531.62

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

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Of which:										
Notes receivable with provision for bad debts by portfolio	37,959,511.67	100.00%	1,897,975.58	5.00%	36,061,536.09	19,154,593.79	100.00%	957,729.69	5.00%	18,196,864.10
Of which:										
Commercial acceptance bill	37,959,511.67	100.00%	1,897,975.58	5.00%	36,061,536.09	19,154,593.79	100.00%	957,729.69	5.00%	18,196,864.10

Total	37,959,511.67	100.00%	1,897,975.58	5.00%	36,061,536.09	19,154,593.79	100.00%	957,729.69	5.00%	18,196,864.10
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Provision for bad debts by combination Category name: Commercial acceptance bills are provided for bad debts based on aging as a credit risk feature

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Accrual ratio
Within 1 year	37,959,511.67	1,897,975.58	5.00%
Total	37,959,511.67	1,897,975.58	

Description of the basis for determining the combination:

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

■ Applicable Not Applicable

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

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Notes receivable with combined provision for expected credit losses	957,729.69	940,245.89				1,897,975.58
Total	957,729.69	940,245.89				1,897,975.58

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

■ Applicable Not Applicable

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

Unit: Yuan

Projects	Pledged amount at the end of the period
Bank acceptance note	2,600,000.00
Commercial acceptance note	21,413,923.26
Total	24,013,923.26

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

Unit: Yuan

Projects	Termination amount at the end of the period	Unrecognized amount at the end of the period
Bank acceptance note		94,873,275.64
Total		94,873,275.64

4. Accounts receivable

(1) Disclosure by age

Unit: Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,151,828,820.64	934,645,648.64
1 to 2 years	3,934,250.95	3,588,198.89
2 to 3 years	1,141,115.63	216,201.10
More than 3 years	12,100,025.83	11,968,243.46
3 to 4 years	365,441.68	9,767,033.71
4 to 5 years	9,925,447.57	415,316.29
More than 5 years	1,809,136.58	1,785,893.46
Total	1,169,004,213.05	950,418,292.09

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

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Accounts receivable with provision for bad debts on a single-item basis	11,330,582.78	0.97%	11,330,582.78	100.00%	0.00	11,411,340.49	1.20%	11,292,708.21	98.96%	118,632.28
Of which:										
Accounts receivable with provision for bad debts by portfolio	1,157,673,630.27	99.03%	59,420,001.42	5.13%	1,098,253,628.85	939,006,951.60	98.80%	48,338,097.47	5.15%	890,668,854.13
Of which:										
Total	1,169,004,213.05	100.00%	70,750,584.20	6.05%	1,098,253,628.85	950,418,292.09	100.00%	59,630,805.68	6.27%	890,787,486.41

Category name of provision for bad debts by single item: accounts receivable with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Accrual ratio	Reason for accrual
Yihaihua (Hong Kong) Technology Co., Ltd	3,983,314.09	3,983,314.09	4,008,115.95	4,008,115.95	100.00%	Not expected to be recovered
E-POWER(HK) TECHNOLOGY CO.,LIMITED	3,102,335.92	3,102,335.92	3,121,652.43	3,121,652.43	100.00%	Not expected to be recovered
Sichuan Yihaihua Technology Co., Ltd	2,971,390.41	2,971,390.41	2,971,390.41	2,971,390.41	100.00%	Not expected to be recovered
Beijing Yixin Huiming Technology Co., Ltd	1,229,423.99	1,229,423.99	1,229,423.99	1,229,423.99	100.00%	Not expected to be recovered
Shanghai Anshibo Energy Technology Co., Ltd	124,876.08	6,243.80	0.00	0.00		
Total	11,411,340.49	11,292,708.21	11,330,582.78	11,330,582.78		

Provision for bad debts by combination Category name: Accounts receivable with provision for bad debts by aging combination

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Accrual ratio
Within 1 year (including 1 year)	1,151,809,504.13	57,590,475.25	5.00%
1-2 years (including 2 years)	3,620,033.01	362,003.32	10.00%
2-3 years (including 3 years)	891,042.72	178,208.54	20.00%
3-4 years (including 4 years)	127,472.23	63,736.13	50.00%
More than 4 years	1,225,578.18	1,225,578.18	100.00%
Total	1,157,673,630.27	59,420,001.42	

Description of the basis for determining the combination:

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

■ Applicable Not Applicable

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

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Provision for bad debts on a single-item basis	11,292,708.21	18,558.06			19,316.51	11,330,582.78

Provision for bad debts by portfolio	48,338,097.47	11,564,746.97			-482,843.02	59,420,001.42
Total	59,630,805.68	11,583,305.03			-463,526.51	70,750,584.20

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

Unit: Yuan

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

Unit: Yuan

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	As a percentage of the combined ending balance of accounts receivable and contract assets	The ending balance of the provision for bad debts of accounts receivable and the provision for impairment of contract assets
First place	141,028,888.65		141,028,888.65	12.07%	7,051,444.44
Second place	115,192,273.75		115,192,273.75	9.85%	5,759,613.69
Third place	104,373,488.23		104,373,488.23	8.93%	5,218,788.04
Fourth place	78,551,077.47		78,551,077.47	6.72%	4,137,941.96
Fifth place	68,987,230.80		68,987,230.80	5.90%	3,449,361.54
Total	508,132,958.90		508,132,958.90	43.47%	25,617,149.67

5. Receivable financing

(1) Classification of accounts receivable financing

Unit: Yuan

Projects	Ending balance	Opening balance
Bank Acceptance Draft	30,512,034.70	17,633,625.14
Total	30,512,034.70	17,633,625.14

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

Unit: Yuan

Projects	Termination amount at the end of the period	Unrecognized amount at the end of the period
Bank Acceptance Draft	96,004,894.31	
Total	96,004,894.31	

6. Other receivables

Unit: Yuan

Projects	Ending balance	Opening balance
Interest receivable	1,097,463.66	421,991.68
Other receivables	18,862,764.03	73,454,959.93
Total	19,960,227.69	73,876,951.61

(1) Interest receivable

1) Classification of interest receivable

Unit: Yuan

Projects	Ending balance	Opening balance
Bank Acceptance Margin Interest	356,890.22	361,080.46
Interest on bank deposits	740,573.44	60,911.22
Total	1,097,463.66	421,991.68

2) Disclosure by classification of bad debt accrual method

Applicable ☒ Not applicable

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Provision for bad debts on a single-item basis	1,097,463.66	100.00%			1,097,463.66	421,991.68	100.00%			421,991.68
Of which:										
Of which:										
Total	1,097,463.66	100.00%			1,097,463.66	421,991.68	100.00%			421,991.68

Provision for bad debts by single item Category name: Interest receivable with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Accrual ratio	Reason for accrual
Bank Acceptance Margin Interest	361,080.46		356,890.22			Bank interest, lower loss ratio
Interest on bank deposits	60,911.22		740,573.44			Bank interest, lower loss ratio
Total	421,991.68		1,097,463.66			

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

Unit: Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2024 in the current period				

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

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

■ Applicable Not Applicable

(2) Other receivables

1) Classification of other receivables by nature of payment

Unit: Yuan

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Security deposit and deposit	14,859,044.43	9,508,452.89
Receivables	4,828,208.36	5,177,693.34
Withholding and paying social security/provident fund	2,448,656.57	2,081,140.33
Equity transfer payment		44,000,000.00
Export tax rebate		18,778,740.52
other	2,047,248.37	2,590,702.66
Total	24,183,157.73	82,136,729.74

2) Disclosure by age

Unit: Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	16,898,639.89	72,296,527.25
1 to 2 years	1,904,874.75	1,715,582.32
2 to 3 years	2,827,959.90	4,296,293.27
More than 3 years	2,551,683.19	3,828,326.90
3 to 4 years	1,439,220.00	64,347.50
4 to 5 years	672,107.60	704,645.74
More than 5 years	440,355.59	3,059,333.66
Total	24,183,157.73	82,136,729.74

3) Disclosure by classification of bad debt accrual method

Applicable ■ Not applicable

Unit: Yuan

Category	Ending balance	Opening balance
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	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Provision for bad debts on a single-item basis	2,819,379.67	11.66%	2,819,379.67	100.00%		47,242,871.29	57.52%	3,242,871.29	6.86%	44,000,000.00
Of which:										
Provision for bad debts by portfolio	21,363,778.06	88.34%	2,501,014.03	11.71%	18,862,764.03	34,893,858.45	42.48%	5,438,898.52	15.59%	29,454,959.93
Of which:										
Total	24,183,157.73	100.00%	5,320,393.70	22.00%	18,862,764.03	82,136,729.74	100.00%	8,681,769.81	10.57%	73,454,959.93

Category name of provision for bad debts according to a single item: other receivables for which provision for bad debts is made according to a single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Accrual ratio	Reason for accrual
Tekway Technology Co., Ltd	1,141,979.14	1,141,979.14	1,149,089.60	1,149,089.60	100.00%	Low retrospective probability of refundable payment
Shenzhen Jingweixin Technology Co., Ltd	617,698.05	617,698.05	617,698.05	617,698.05	100.00%	The debtor is bankrupt
SHENZHEN ALEXANDER POWER ELECTRONIC TECHNOLOGY CO.,LTD	536,514.53	536,514.53	539,855.10	539,855.10	100.00%	Low retrospective probability of refundable payment
Great Star(HK) Electronics Company Limited	385,083.57	385,083.57	387,481.27	387,481.27	100.00%	Low retrospective probability of refundable payment
Shaoxing Otinburg Technology Co., Ltd	124,480.58	124,480.58	125,255.65	125,255.65	100.00%	Low retrospective probability of refundable payment
Wang Yuetian	26,400,000.00					
Shang Yungsi	17,600,000.00					
NuVolta Technologies (Hefei) Co., Ltd.	363,108.78	363,108.78				
Kem Lye	74,006.64	74,006.64				
Total	47,242,871.29	3,242,871.29	2,819,379.67	2,819,379.67		

Provision for bad debts by combination Category name: Other receivables with provision for bad debts by aging combination

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Accrual ratio
Within 1 year (including 1 year)	16,898,639.89	844,931.99	5.00%
1-2 years (including 2 years)	645,237.08	64,523.71	10.00%
2-3 years (including 3 years)	1,885,915.95	377,183.19	20.00%
3-4 years (including 4 years)	1,439,220.00	719,610.00	50.00%
4-5 years (including 5 years)	54,409.55	54,409.55	100.00%
More than 5 years	440,355.59	440,355.59	100.00%
Total	21,363,778.06	2,501,014.03	

Description of the basis for determining the combination:

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

Unit: Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2024	5,438,898.52		3,242,871.29	8,681,769.81
Balance at January 1, 2024 in the current period				
Provision for the current period	-2,951,438.67		-423,491.62	-3,374,930.29
Other changes	13,554.18			13,554.18
Balance at June 30, 2024	2,501,014.03		2,819,379.67	5,320,393.70

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

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

■ Applicable Not Applicable

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

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	other	
Provision for bad debts on a single-item basis	3,242,871.29	-423,491.62				2,819,379.67
Provision for bad debts by portfolio	5,438,898.52	-2,951,438.67			13,554.18	2,501,014.03
Total	8,681,769.81	-3,374,930.29			13,554.18	5,320,393.70

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

Unit: Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the proportion of the original bad debt provision
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5) Other receivables of the top five ending balances collected by the owing party

Unit: Yuan

Unit name	Nature of money	Ending balance	Aging	As a percentage of the total ending balance of other receivables	Ending balance of bad debt provision
First place	Security deposit and deposit	7,946,382.00	Within 1 year	32.86%	397,319.10
Second place	Security deposit and deposit	3,012,684.00	1-4 years	12.46%	911,077.80
Third place	Receivables	2,626,526.74	Within 1 year	10.86%	131,326.34
Fourth place	Receivables	1,149,089.60	1-3 years	4.75%	1,149,089.60
Fifth place	Security deposit and deposit	950,000.00	Within 1 year	3.93%	47,500.00
Total		15,684,682.34		64.86%	2,636,312.84

7. Prepayments

(1) Prepayments are shown by age

Unit: Yuan

Aging	Ending balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	918,248.68	100.00%	3,018,853.80	100.00%
Total	918,248.68		3,018,853.80	

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

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

Unit name	Balance	% of total prepayments
First place	209,050.00	22.77
Second place	123,241.42	13.42
Third place	75,471.70	8.22
Fourth place	71,506.79	7.79
Fifth place	58,000.00	6.32
Total	537,269.91	58.52

Other instructions:

8. Inventory

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

No

(1) Inventory classification

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Inventory impairment provision or contract performance cost impairment provision	Book value	Book balance	Inventory impairment provision or contract performance cost impairment provision	Book value
Raw materials	139,544,406.51	15,553,073.11	123,991,333.40	139,895,238.50	6,603,442.62	133,291,795.88
In product	29,644,956.16		29,644,956.16	14,427,166.81		14,427,166.81
Stock item	189,342,012.69	19,369,303.04	169,972,709.65	165,790,471.71	15,572,394.21	150,218,077.50
Issue goods	131,878,789.63		131,878,789.63	36,534,433.19	42,731.49	36,491,701.70
Entrusted processing materials	12,138,729.85		12,138,729.85	2,033,171.11		2,033,171.11
Total	502,548,894.84	34,922,376.15	467,626,518.69	358,680,481.32	22,218,568.32	336,461,913.00

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

Unit: Yuan

Projects	Opening balance	Increase in the current period		Amount of reduction in the current period		Ending balance
		Accrue	other	Reverse or resell	other	
Raw materials	6,603,442.62	8,949,630.49				15,553,073.11
Stock item	15,572,394.21	3,796,908.83				19,369,303.04
Issue goods	42,731.49			42,731.49		
Total	22,218,568.32	12,746,539.32		42,731.49		34,922,376.15

Provision for inventory depreciation by combination

Unit: Yuan

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

The accrual standard for the provision of inventory depreciation by combination

9. Other Current Assets

Unit: Yuan

Projects	Ending balance	Opening balance
Retained tax credits and input tax to be certified	63,012,037.20	16,991,193.61
Prepaid income tax	1,933,837.40	1,738,363.77
Bond issuance fee	2,202,200.48	2,150,967.64
Input tax on prepaid construction funds	1,142,706.30	1,917,995.41
Total	68,290,781.38	22,798,520.43

Other instructions:

10. Long-term equity investment

Unit: Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period								Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Changes in other equity	Declaration of cash dividends or profits	Provision for impairment	other		
I. Joint venture												
Shenzhen Hangcheng Enterprise Headquarters Management Co., Ltd	796,790.14				-29,914.57						766,875.57	
Subtotal	796,790.14				-29,914.57						766,875.57	
II. Joint ventures												
Shanghai Anshibo Energy Technology Co., Ltd	94,324,652.29				-14,303,026.55		4,164,381.55				84,186,007.29	
Subtotal	94,324,652.29				-14,303,026.55		4,164,381.55				84,186,007.29	
Total	95,121,442.43				-14,332,941.12		4,164,381.55				84,952,882.86	

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

■ Applicable Not Applicable

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

■ Applicable Not Applicable

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

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

Other instructions:

11. Investment real estate

(1) Investment real estate using cost measurement model

Applicable ■ Not applicable

Unit: Yuan

Projects	Houses, buildings	Land use rights	Construction in progress	Total
I. Original book value				
1. Opening balance	132,422,232.33			132,422,232.33
2. Increase in the current period	21,428,316.25			21,428,316.25
(1) Outsourcing				
(2) Inventory\ fixed assets\ transfer in construction in progress	21,428,316.25			21,428,316.25
(3) Increase in business combinations				
3. Amount of reduction in the current period				
(1) Disposal				
(2) Other transfers				
4. Ending balance	153,850,548.58			153,850,548.58
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	11,695,095.39			11,695,095.39
2. Increase in the current period	8,728,122.97			8,728,122.97
(1) Provision or amortization	8,728,122.97			8,728,122.97
3. Amount of reduction in the current period				
(1) Disposal				
(2) Other transfers				
4. Ending balance	20,423,218.36			20,423,218.36
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Accrual				
3. Amount of reduction in the current period				

(1) Disposal				
(2) Other transfers				
4. Ending balance				
IV. Book value				
1. Book value at the end of the period	133,427,330.22			133,427,330.22
2. Book value at the beginning of the period	120,727,136.94			120,727,136.94

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

■ Applicable Not Applicable

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

■ Applicable Not Applicable

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

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

Other instructions:

(2) Investment real estate using fair value measurement model

■ Applicable Not Applicable

12. Fixed assets

Unit: Yuan

Projects	Ending balance	Opening balance
Fixed assets	975,426,877.69	1,013,803,559.64
Total	975,426,877.69	1,013,803,559.64

(1) Fixed assets

Unit: Yuan

Projects	Houses and buildings	Machine equipment	Means of transport	Electronic equipment and others	Total
I. Original book value:					
1. Opening balance	743,350,571.67	434,813,941.82	8,011,026.78	119,568,378.88	1,305,743,919.15
2. Increase in the current period	2,324,944.98	23,694,038.83	2,035,945.11	5,653,305.82	33,708,234.74
(1) Acquisition	0.00	19,741,130.03	2,035,945.11	5,468,897.08	27,245,972.22
(2) Transfer of construction in progress	2,324,944.98	3,952,908.80	0.00	184,408.74	6,462,262.52
(3) Increase in business combinations					

3. Amount of reduction in the current period	23,553,816.62	16,093,613.24	1,550,140.65	720,928.21	41,918,498.72
(1) Disposal or scrapping	0.00	13,948,306.70	1,237,924.67	705,284.60	15,891,515.97
(2) Transfer to investment real estate	21,428,316.25				21,428,316.25
(3) Decrease in original value due to exchange rate changes	2,125,500.37	2,145,306.54	312,215.98	15,643.61	4,598,666.50
4. Ending balance	722,121,700.03	442,414,367.41	8,496,831.24	124,500,756.49	1,297,533,655.17
II. Accumulated depreciation					
1. Opening balance	66,125,768.10	163,842,821.40	4,739,808.28	57,231,961.73	291,940,359.51
2. Increase in the current period	10,867,977.62	28,862,053.59	346,891.87	7,196,133.15	47,273,056.23
(1) Accrual	10,867,977.62	28,862,053.59	346,891.87	7,196,133.15	47,273,056.23
3. Amount of reduction in the current period	7,151,308.38	8,458,925.76	852,620.88	643,783.24	17,106,638.26
(1) Disposal or scrapping	0.00	8,458,925.76	852,620.88	643,783.24	9,955,329.88
(2) Transfer to investment real estate	7,151,308.38				7,151,308.38
4. Ending balance	69,842,437.34	184,245,949.23	4,234,079.27	63,784,311.64	322,106,777.48
III. Provision for impairment					
1. Opening balance					
2. Increase in the current period					
(1) Accrual					
3. Amount of reduction in the current period					
(1) Disposal or scrapping					
4. Ending balance					
IV. Book value					
1. Book value at the end of the period	652,279,262.69	258,168,418.18	4,262,751.97	60,716,444.85	975,426,877.69
2. Book at the beginning of the period	677,224,803.57	270,971,120.42	3,271,218.50	62,336,417.15	1,013,803,559.6
Value					4

(2) Fixed assets leased out through operating leases

Unit: Yuan

Projects	Book value at the end of the period
Other equipment	239,923.87

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

Unit: Yuan

Projects	Book value	Reasons for not completing the title certificate
Vietnam Honor Electron Housing and Buildings	60,962,958.18	In process

Other instructions

(4) Impairment test of fixed assets

■ Applicable Not Applicable

13. Construction in progress

Unit: Yuan

Projects	Ending balance	Opening balance
Construction in progress	162,074,316.96	133,048,776.54
Total	162,074,316.96	133,048,776.54

(1) Construction in progress

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Bao'an Aviation City Innovation Industry R&D; Joint Base Project	38,966,472.03		38,966,472.03	31,776,514.37		31,776,514.37
Ganzhou Power Adapter Expansion Project	38,276,804.74		38,276,804.74	37,582,741.93		37,582,741.93
Dongguan Honor Electron Information Equipment Manufacturing Center Project	14,963,704.81		14,963,704.81	15,534,687.77		15,534,687.77
Equipment and software installation engineering	50,814,728.64		50,814,728.64	2,763,581.31		2,763,581.31

Suzhou Yundian Factory Decoration Project	9,582,178.41		9,582,178.41	54,300.00		54,300.00
Hangzhou Yundian Office Decoration	3,912,413.88		3,912,413.88			
Dongguan Honor Electron Park Infrastructure Decoration Project	3,001,311.71		3,001,311.71			
Ganzhou Power Production Line Technical Transformation Project	2,556,702.74		2,556,702.74	2,010,958.83		2,010,958.83
Decoration of Pearl Office Headquarters Building				41,793,306.25		41,793,306.25
Vietnam Honor Electron new plant construction project				1,155,327.59		1,155,327.59
Shenzhen Honor Electron Human Resource Management Optimization Project				377,358.49		377,358.49
Total	162,074,316.96		162,074,316.96	133,048,776.54		133,048,776.54

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

Unit: Yuan

Name of project	Budget	Opening balance	Increase in the current period	Amount of fixed assets tr ansferre d in the current period	Other re ductions in the current period	Ending balance	The cu mulativ e invest ment in the project account s for the proporti on of the budget	Project progress	Cumulat ive amount of interest capitaliz ation	Includin g: the amount of interest capitaliz ed in the current period	Interest capitaliz ation rate for the current period	Source of funds
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Bao'an Aviation City Innovation Industry R&D; Joint Base Project		31,776,514.37	7,189,957.66			38,966,472.03		Not yet completed				other
Ganzhou Power Adapter Expansion Project		37,582,741.93	808,741.71		114,678.90	38,276,804.74		Not yet completed				Raise funds
Dongguan Honor Electron Information Equipment Manufacturing Center Project		15,534,687.77	13,642,880.47	164,060.49	14,049,802.94	14,963,704.81		Not yet completed	754,027.78			Raise funds
Decoration of Pearl Office Headquarters Building		41,793,306.25	5,977,178.74		47,770,484.99			Completed				other
Total		126,687,250.32	27,618,758.58	164,060.49	61,934,966.83	92,206,981.58			754,027.78			

(3) Impairment test of construction in progress

■ Applicable Not Applicable

14. Right-of-use assets

(1) Right-of-use assets

Unit: Yuan

Projects	Houses and buildings	Total
I. Original book value		
1. Opening balance	67,690,559.38	67,690,559.38
2. Increase in the current period	22,464,191.73	22,464,191.73
(1) New lease	22,464,191.73	22,464,191.73
3. Amount of reduction in the current period	3,698,590.84	3,698,590.84
(1) Disposal	3,698,590.84	3,698,590.84
4. Ending balance	86,456,160.27	86,456,160.27
II. Accumulated depreciation		
1. Opening balance	27,169,152.12	27,169,152.12
2. Increase in the current period	10,170,286.52	10,170,286.52
(1) Accrual	10,170,286.52	10,170,286.52
3. Amount of reduction in the current period	899,657.19	899,657.19
(1) Disposal	899,657.19	899,657.19
4. Ending balance	36,439,781.45	36,439,781.45
III. Provision for impairment		
1. Opening balance		
2. Increase in the current period		
(1) Accrual		
3. Amount of reduction in the current period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Book value at the end of the period	50,016,378.82	50,016,378.82
2. Book value at the beginning of the period	40,521,407.26	40,521,407.26

(2) Impairment test of right-of-use assets

■ Applicable Not Applicable

Other instructions:

15. Intangible assets

(1) Intangible assets

Unit: Yuan

Projects	Land use rights	Patent	Non-patent technology	Software	Total
I. Original book value					
1. Opening balance	75,676,093.99			14,491,592.75	90,167,686.74
2. Increase in the current period	0.00			19,469.02	19,469.02
(1) Acquisition				19,469.02	19,469.02
(2) Internal R & D					
(3) Increase in business combinations					
3. Amount of reduction in the current period	509,263.10			22,155.06	531,418.16
(1) Disposal					
(2) Decrease in original value due to exchange rate changes	509,263.10			22,155.06	531,418.16
4. Ending balance	75,166,830.89			14,488,906.71	89,655,737.60
II. Accumulated amortization					
1. Opening balance	7,791,464.93			10,547,350.68	18,338,815.61
2. Increase in the current period	973,564.38			929,285.72	1,902,850.10
(1) Accrual	973,564.38			929,285.72	1,902,850.10
3. Amount of reduction in the current period					
(1) Disposal					
4. Ending balance	8,765,029.31			11,476,636.40	20,241,665.71
III. Provision for impairment					
1. Opening balance					
2. Increase in the current period					
(1) Accrual					
3. Amount of reduction in the current period					
(1) Disposal					
4. Ending balance					
IV. Book value					
1. Book value at the end of the period	66,401,801.58			3,012,270.31	69,414,071.89
2. Book value at the beginning of the period	67,884,629.06			3,944,242.07	71,828,871.13

The proportion of intangible assets formed through the company's internal research and development to the balance of intangible assets at the end of the period

(2) The situation of land use rights for which the title certificate has not been completed

Unit: Yuan

Projects	Book value	Reasons for not completing the title certificate
Land use rights of Honor Electron, Vietnam	12,094,641.02	In process

Other instructions

(3) Impairment test of intangible assets

■ Applicable Not Applicable

16. Long-term deferred expenses

Unit: Yuan

Projects	Opening balance	Increase in the current period	Amortization amount for the current period	Other reductions	Ending balance
Decoration of Pearl Office Headquarters Building	532,906.76	48,843,292.05	2,364,367.77		47,011,831.04
Factory decoration project	32,359,159.22	2,261,384.34	3,403,457.65		31,217,085.91
Landscape Engineering	0.00	12,737,775.56	424,592.52		12,313,183.04
Dormitory decoration project	12,272,503.57	0.00	605,101.81		11,667,401.76
Workshop decoration project	7,968,303.79	404,608.93	597,924.23		7,774,988.49
Canteen decoration project	2,703,302.42	0.00	141,487.68		2,561,814.74
Office and front desk decoration	141,965.55	-5,210.90	36,178.33		100,576.32
Total	55,978,141.31	64,241,849.98	7,573,109.99		112,646,881.30

Other instructions

17. Deferred Tax Assets/Deferred Tax Liabilities

(1) Unoffset Deferred Tax Assets

Unit: Yuan

Projects	Ending balance		Opening balance	
	Deductible temporary differences	Deferred Tax Assets	Deductible temporary differences	Deferred Tax Assets
Provision for assets impairment	24,467,445.64	3,670,116.85	13,277,518.11	1,991,627.72
Unrealized profit on internal transactions	19,353,037.90	2,902,955.69	9,672,705.40	1,450,905.81

Credit impairment provision	52,596,981.62	7,889,547.24	50,741,706.15	7,611,255.93
Lease liabilities	40,921,401.91	7,438,844.55	41,205,425.17	7,470,008.70
Deferred income	11,371,174.60	1,705,676.19	7,935,651.84	1,190,347.78
Total	148,710,041.67	23,607,140.52	122,833,006.67	19,714,145.94

(2) Unoffset Deferred Tax Liabilities

Unit: Yuan

Projects	Ending balance		Opening balance	
	Taxable temporary differences	Deferred Tax Liabilities	Taxable temporary differences	Deferred Tax Liabilities
Technology and Intellectual Property Licensing	10,900,033.24	1,635,004.99	15,975,081.71	2,396,262.26
Gains and losses from changes in fair value of trading financial assets	175,019.18	26,252.88		
Right-of-use asset	38,960,162.51	7,121,296.41	40,494,724.71	7,447,754.53
Total	50,035,214.93	8,782,554.28	56,469,806.42	9,844,016.79

(3) Deferred Tax Assets or liabilities shown as net of offset

Unit: Yuan

Projects	The amount of Deferred Tax Assets and liabilities offset at the end of the period	The ending balance of Deferred Tax Assets or liabilities after offset	The initial offset amount of Deferred Tax Assets and liabilities	Opening balance of Deferred Tax Assets or liabilities after offset
Deferred Tax Assets		23,607,140.52		19,714,145.94
Deferred Tax Liabilities		8,782,554.28		9,844,016.79

(4) Details of unrecognized Deferred Tax Assets

Unit: Yuan

Projects	Ending balance	Opening balance
Deductible temporary differences	22,132,048.22	17,026,418.14
Deductible losses	150,110,404.58	128,197,108.63
Total	172,242,452.80	145,223,526.77

(5) Deductible losses on unrecognized Deferred Tax Assets will expire in the following years

Unit: Yuan

Year	Amount at the end of the period	Amount at the beginning of the period	Remarks:
2024	42,648.55	42,648.55	
2025	1,412,728.06	1,412,728.06	
2026	63,700,523.77	63,700,523.77	
2027	44,630,550.63	44,630,550.63	
2028	18,410,657.62	18,410,657.62	
2029	21,913,295.95		
Total	150,110,404.58	128,197,108.63	

Other instructions

18. Other non-current assets

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepaid equipment and engineering payments	23,631,245.72		23,631,245.72	23,026,424.99		23,026,424.99
Total	23,631,245.72		23,631,245.72	23,026,424.99		23,026,424.99

Other instructions:

19. Assets with restricted ownership or use rights

Unit: Yuan

Projects	End of period				Beginning of the period			
	Book balance	Book value	Restricted type	Restricted situation	Book balance	Book value	Restricted type	Restricted situation
Monetary fund	170,623,081.53	170,623,081.53	other	Apply to the bank for the security deposit for the issuance of bank acceptance bills, and the funds frozen by the people's court in disputes over contract sales	141,203,058.71	141,203,058.71	other	Apply to the bank for the security deposit for the issuance of bank acceptance bills, unexpired time deposits, and funds frozen by the people's court in contract sales disputes
Notes receivable	24,013,923.26	22,943,227.11	Pledge	Apply to the bank for pledged bills receivable to issue a bank acceptance bill	74,944,505.75	74,944,505.75	Pledge	Apply to the bank for pledged bills receivable to issue a bank acceptance bill
Fixed assets	571,829,063.56	539,866,535.49	Mortgage	Apply for a loan from a bank to mortgage fixed assets	576,125,249.49	550,694,167.95	Mortgage	Apply for a loan from a bank to mortgage fixed assets

Investment real estate	122,511,648.20	115,988,010.50	Mortgage	Apply for a loan from a bank mortgage investment real estate	118,215,462.27	113,043,641.96	Mortgage	Apply for a loan from a bank mortgage investment real estate
Total	888,977,716.55	849,420,854.63			910,488,276.22	879,885,374.37		

Other instructions:

20. Short-term loans

(1) Classification of short-term borrowings

Unit: Yuan

Projects	Ending balance	Opening balance
Credit loan	190,000,000.00	115,000,000.00
Interest payable	134,305.54	57,750.00
Total	190,134,305.54	115,057,750.00

Description of the classification of short-term borrowings:

21. Notes payable

Unit: Yuan

Kind	Ending balance	Opening balance
Bank Acceptance Draft	486,974,293.49	468,760,151.92
Total	486,974,293.49	468,760,151.92

The total amount of due and unpaid notes payable at the end of the period is 0.00 yuan, and the reason for the due and unpaid is.

22. Accounts payable

(1) Accounts payable presentation

Unit: Yuan

Projects	Ending balance	Opening balance
Within 1 year (including 1 year)	970,488,675.13	733,712,931.50
1-2 years (including 2 years)	2,055,863.78	1,890,464.93
2-3 years (including 3 years)	266,711.84	626,465.98
3-4 years (including 4 years)	627,326.67	246,445.60
4-5 years (including 5 years)	715,441.34	664,680.53
More than 5 years	379,107.17	348,577.18
Total	974,533,125.93	737,489,565.72

23. Other payables

Unit: Yuan

Projects	Ending balance	Opening balance
Other payables	27,349,353.74	23,434,022.39
Total	27,349,353.74	23,434,022.39

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

Unit: Yuan

Projects	Ending balance	Opening balance
Shipping and storage fees	8,917,223.83	5,693,558.71
Rent, utilities, testing fees	6,158,874.79	5,917,766.42
Deposit, security deposit	2,539,169.34	2,379,669.34
other	9,734,085.78	9,443,027.92
Total	27,349,353.74	23,434,022.39

24. Advance receipts**(1) List of advance receipts**

Unit: Yuan

Projects	Ending balance	Opening balance
Within 1 year (including 1 year)	59,153.06	54,898.86
1-2 years (including 2 years)	64,153.19	119,448.20
2-3 years (including 3 years)	115,764.28	47,816.22
More than 3 years	85,931.20	58,648.49
Total	325,001.73	280,811.77

25. Contract liabilities

Unit: Yuan

Projects	Ending balance	Opening balance
Accounts receivable in advance	2,385,982.42	3,002,110.54
Total	2,385,982.42	3,002,110.54

Significant contract liabilities aged over 1 year

Unit: Yuan

Projects	Ending balance	Reasons for non-payment or carry-over
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The amount and reason for the significant change in the book value during the reporting period

Unit: Yuan

Projects	Amount of change	Reason for change
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26. Employee compensation payable**(1) List of employee compensation payable**

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
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I. Short-term compensation	53,584,020.32	251,724,462.83	252,887,602.46	52,420,880.69
II. Post-employment benefits-defined contribution plan	180,018.84	17,949,719.12	17,883,604.55	246,133.41
III. Dismissal benefits		272,979.41	272,979.41	
Total	53,764,039.16	269,947,161.36	271,044,186.42	52,667,014.10

(2) List of short-term compensation

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Salaries, bonuses, allowances and subsidies	53,398,698.98	234,796,858.74	235,981,392.45	52,214,165.27
2. Employee welfare expenses	1,012.14	6,547,244.75	6,547,296.66	960.23
3. Social insurance premiums	184,309.20	5,770,578.43	5,771,964.44	182,923.19
Including: medical insurance premiums	182,056.97	4,782,041.28	4,784,432.11	179,666.14
Work injury insurance	2,252.23	612,059.35	611,054.53	3,257.05
Maternity insurance premiums		376,477.80	376,477.80	
4. Housing Provident Fund		4,371,096.75	4,348,264.75	22,832.00
5. Trade union funds and employee education funds		238,684.16	238,684.16	
Total	53,584,020.32	251,724,462.83	252,887,602.46	52,420,880.69

(3) List of defined contribution plans

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic pension insurance	105,104.44	17,021,990.14	16,956,915.67	170,178.91
2. Unemployment insurance premiums	3,753.79	786,413.96	784,601.08	5,566.67
3. Enterprise annuity payment	71,160.61	141,315.02	142,087.80	70,387.83
Total	180,018.84	17,949,719.12	17,883,604.55	246,133.41

Other instructions:

27. Taxes payable

Unit: Yuan

Projects	Ending balance	Opening balance
VAT	3,180,853.32	2,100,376.55
Corporate income tax	4,048,873.70	5,930,418.51
Personal income tax	3,036,750.65	1,431,592.27
Urban maintenance and construction tax	32,708.55	1,212,244.94
Land use tax	19,138.00	19,138.00
Property tax	3,329,175.98	111,947.40
Educational add-ons (including places)	23,363.25	865,889.23
Stamp duty	663,141.74	518,984.79
Total	14,334,005.19	12,190,591.69

Other instructions

28. Non-current liabilities due within one year

Unit: Yuan

Projects	Ending balance	Opening balance
Long-term borrowings due within one year	88,156,618.89	30,318,292.28
Lease liabilities due within one year	20,678,581.32	14,800,986.03
Total	108,835,200.21	45,119,278.31

Other instructions:

29. Other current liabilities

Unit: Yuan

Projects	Ending balance	Opening balance
Notes not derecognized	94,873,275.64	69,427,976.57
Pending write-off tax	56,886.35	94,995.01
Total	94,930,161.99	69,522,971.58

Changes in short-term bonds payable:

Unit: Yuan

Bond name	Face value	Coupon rate	Issue date	Bond maturity	Issue amount	Opening balance	Current issue	Interest accrued at face value	Premium and discount amortization	Repayment in the current period		Ending balance	Whether in breach of contract
Total													

Other instructions:

30. Long-term loans

(1) Classification of long-term borrowings

Unit: Yuan

Projects	Ending balance	Opening balance
Mortgage loan	237,719,673.82	277,050,000.10
Credit loan		42,500,000.00
Total	237,719,673.82	319,550,000.10

Description of long-term loan classification:

Other descriptions, including interest rate ranges:

31. Lease liabilities

Unit: Yuan

Projects	Ending balance	Opening balance
Buildings	31,301,765.29	26,432,950.93
Total	31,301,765.29	26,432,950.93

Other instructions

32. Deferred income

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Government subsidy	8,835,651.83	10,894,400.00	2,233,880.18	17,496,171.65	Government grants related to assets
Total	8,835,651.83	10,894,400.00	2,233,880.18	17,496,171.65	

Other instructions:

33. Share capital

Unit: Yuan

	Opening balance	Increase or decrease in this change (+, -)					Ending balance
		Issue new shares	Bonus shares	Provident fund conversion	other	Subtotal	
Total number of shares	101,200,000.00						101,200,000.00

Other instructions:

34. Capital reserve

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (equity premium)	1,019,057,603.93			1,019,057,603.93

Other capital reserves	70,678,842.23	4,164,381.55		74,843,223.78
Total	1,089,736,446.16	4,164,381.55		1,093,900,827.71

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

The change in capital reserve was caused by the adjustment of long-term equity investment rights.

35. Treasury stocks

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Treasury stock	62,600,689.07			62,600,689.07
Total	62,600,689.07			62,600,689.07

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

36. Other comprehensive income

Unit: Yuan

Projects	Opening balance	Amount in the current period						Ending balance
		Amount before income tax for 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	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
II. Other comprehensive income reclassified into profit or loss	3,778,013.64	-8,309,088.88				-8,309,088.88		-4,531,075.24
Foreign currency financial statement translation difference	3,778,013.64	-8,309,088.88				-8,309,088.88		-4,531,075.24
Total other comprehensive income	3,778,013.64	-8,309,088.88				-8,309,088.88		-4,531,075.24

Other explanations, including the adjustment of the effective part of the cash flow hedging gains and losses to the initial recognition amount of the hedged item:

37. Surplus Reserve

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	50,885,000.00			50,885,000.00
Total	50,885,000.00			50,885,000.00

A description of the surplus reserve, including the changes in the current period and the reasons for the changes:

38. Undistributed profits

Unit: Yuan

Projects	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	674,284,970.82	487,577,371.50
Adjust the undistributed profit at the beginning of the later period	674,284,970.82	487,577,371.50
Add: Net profit attributable to owners of the parent company for the current period	86,338,983.16	195,731,160.07
Distribute profit	33,845,198.00	9,058,567.15
other		-35,006.40
Undistributed profit at the end of the period	726,778,755.98	674,284,970.82

Details of undistributed profit at the beginning of the adjustment period:

- 1) Due to the retrospective adjustment of the Accounting Standards for Business Enterprises and related new regulations, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- 2) Due to the change of accounting policy, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- 4) The change in the scope of consolidation due to the same control affects the undistributed profit at the beginning of the period by RMB 0.00.
- 5) The total impact of other adjustments on the undistributed profit at the beginning of the period is RMB 0.00.

39. Operating income and operating costs

Unit: Yuan

Projects	Amount in the current period		Amount in the previous period	
	income	Cost	income	Cost
Main business	1,591,864,173.44	1,261,951,991.44	1,291,061,107.61	1,042,631,763.15
Other business	7,382,533.24	2,331,487.58	4,262,051.74	1,388,124.72
Total	1,599,246,706.68	1,264,283,479.02	1,295,323,159.35	1,044,019,887.87

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

At the end of the reporting period, the revenue corresponding to the performance obligations that have signed contracts but have not been fulfilled or have not been fulfilled is RMB 788,246,021.72, of which RMB 788,246,021.72 is expected to be recognized as revenue in 2024.

40. Taxes and surcharges

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Urban maintenance and construction tax	328,510.66	2,245,168.42
Education surcharge	140,790.27	962,214.41
Property tax	3,441,123.38	326,288.51
Land use tax	38,276.00	42,658.62
Vehicle and vessel use tax	7,460.16	5,730.16
Stamp duty	1,168,159.05	815,127.76
Local fee surcharge	93,860.21	641,476.28
House tax	855.95	887.44
Foreign contractor tax	7,489.10	4,032.30
Total	5,226,524.78	5,043,583.90

Other instructions:

41. Administrative expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Employee compensation	28,712,964.81	23,154,530.12
depreciation and amortization	18,472,158.68	14,327,334.07
Office expenses	6,016,150.36	2,730,168.53
Consultation fee	4,023,799.36	2,916,225.52
Property water and electricity bills	3,741,441.65	2,502,140.69
Business entertainment	2,055,559.69	1,240,774.23
Travel expenses	1,856,548.68	1,112,014.74
Renovation and maintenance costs	1,014,490.72	731,372.01
Share-based payment	0.00	40,024,150.01
other	4,082,429.00	1,724,102.69
Total	69,975,542.95	90,462,812.61

Other instructions

42. Selling expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Employee compensation	23,833,664.70	18,661,387.25
Business entertainment	6,313,490.41	6,665,453.98
Customs fees	5,351,398.91	930,701.51
Travel expenses	2,052,801.97	2,090,579.92
Sample testing fee	1,864,901.92	639,520.38
After-sales service fee	1,660,258.00	1,349,527.90
Depreciation And Amortization	856,434.92	236,454.45
Office expenses	667,970.84	628,373.17
Storage fee	554,811.22	530,488.52
Publicity and exhibition fee	417,651.89	478,578.05
Property water and electricity bills	94,213.88	97,092.36
Renovation and maintenance costs	54,424.67	49,446.98
other	1,681,121.59	1,106,005.73
Total	45,403,144.92	33,463,610.20

Other instructions:

43. R&D; expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Staff and labor costs	73,495,380.83	74,524,883.12
Direct input cost	11,351,088.64	16,471,756.82
Depreciation expenses and long-term deferred expenses	9,168,460.24	11,787,712.00
Other expenses	8,455,773.00	8,692,739.98
Amortization expense of intangible assets	192,587.62	247,454.43
Total	102,663,290.33	111,724,546.35

Other instructions

44. Financial expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Interest expense	8,653,369.00	10,579,985.68
Less: interest income	7,260,774.98	2,306,020.49
Exchange loss (gains are listed with "- ")	-16,672,518.10	-12,918,599.24
Fees and others	712,158.79	1,132,546.54
Total	-14,567,765.29	-3,512,087.51

Other instructions

45. Other income

Unit: Yuan

Sources of other income	Amount in the current period	Amount in the previous period
1. Amortization of government grants related to assets	2,233,880.18	2,035,574.65
2. Compensation related to income for costs or losses that have been incurred	3,307,233.94	1,632,980.50
3. VAT deduction	2,995,253.80	
4. Withholding tax handling fee refund	275,816.48	313,114.07
Total	8,812,184.40	3,981,669.22

46. Gain from change in fair value

Unit: Yuan

Sources of Gain from change in fair value	Amount in the current period	Amount in the previous period
Structured deposit income	175,019.18	777,517.81
Total	175,019.18	777,517.81

Other instructions:

47. Investment income

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Long-term equity investment income accounted for by the equity method	-14,332,941.12	-34,248.76

Income from wealth management products	473,424.67	571,735.40
Interest income on time deposits	20,350.06	
Total	-13,839,166.39	537,486.64

Other instructions

48. Credit impairment losses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Bad debt loss on notes receivable	-940,245.89	-416,633.89
Bad debt loss on accounts receivable	-11,583,305.03	-4,096,062.95
Bad debt loss on other receivables	3,374,930.29	-37,432.43
Total	-9,148,620.63	-4,550,129.27

Other instructions

49. Asset impairment loss

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
I. Inventory depreciation loss and contract performance cost impairment loss	-12,788,995.21	-2,457,731.79
Total	-12,788,995.21	-2,457,731.79

Other instructions:

50. Asset disposal income

Unit: Yuan

Sources of asset disposal proceeds	Amount in the current period	Amount in the previous period
Gains from disposal of fixed assets (losses are listed with "- ")	371,645.02	-30,928.80

51. Non-operating income

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period	Amount included in non-recurring gains and losses for the current period
other	1,317,291.90	382,549.04	1,317,291.90
Total	1,317,291.90	382,549.04	1,317,291.90

Other instructions:

52. Non-operating expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period	Amount included in non-recurring gains and losses for the current period
Loss of scrapping of non-current assets	2,082,711.47	206,769.54	2,082,711.47
other	500,026.74	315,464.20	500,026.74
Total	2,582,738.21	522,233.74	2,582,738.21

Other instructions:

53. Income tax expense

(1) Income tax expense statement

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Current income tax expense	17,307,902.66	2,979,732.72
Deferred Income Taxes expense	-4,954,457.09	2,179,212.03
Total	12,353,445.57	5,158,944.75

(2) Accounting profit and income tax expense adjustment process

Unit: Yuan

Projects	Amount in the current period
Total profit	98,579,110.03
Income tax expense at statutory/applicable tax rate	14,786,866.50
The impact of different tax rates applied to subsidiaries	10,994,098.95
Adjustment for the impact of income tax on previous periods	24,457.41
Impact of non-taxable income	-11,755,726.78
Impact of non-deductible costs, expenses and losses	516,037.17
The impact of deductible temporary differences or deductible losses on Deferred Tax Assets not recognized in the current period	6,571,917.14
Technology development expenses deducted	-8,591,798.76
The impact of overseas corporate income tax policy	102,887.88
other	-295,293.94
Income tax expense	12,353,445.57

Other instructions:

54. Other comprehensive income

For details, please refer to Note 36. Other comprehensive income.

55. Cash flow statement items

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Current payment	783,151.25	4,274,161.20
Government subsidy	14,493,920.82	5,724,493.90
Interest income	6,509,363.82	2,232,428.40
Other payments	2,315,323.91	266,286.35
Note margin recovered	118,353,484.10	79,718,039.75
Total	142,455,243.90	92,215,409.60

Description of other cash received related to operating activities:

Other cash paid related to operating activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Cash management expenses + sales expenses + R&D; expenses	55,507,408.45	56,040,536.03
Current payment	963,450.34	10,153,654.78
Fees	402,446.96	905,577.33
Note deposit paid	168,970,160.75	87,078,540.67
Other payments	9,302,300.29	0.00
Total	235,145,766.79	154,178,308.81

Description of other cash paid related to operating activities:

(2) Cash related to investing activities

Other cash received related to investing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Receive the principal and income of bank wealth management products	85,851,361.49	120,600,624.18
Total	85,851,361.49	120,600,624.18

Significant cash received related to investing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Net disposal of 60% equity of Shanghai Anshibo, a subsidiary	44,000,000.00	
Total	44,000,000.00	

Description of other cash received related to investing activities:

Other cash paid related to investing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Buy financial products	129,000,000.00	223,000,000.00
Total	129,000,000.00	223,000,000.00

Significant cash paid related to investing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
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Description of other cash paid related to investing activities:

(3) Cash related to financing activities

Other cash received in connection with financing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Bank Acceptance Bill Discount	60,000,000.00	
Total	60,000,000.00	

Description of other cash received in connection with financing activities:

Other cash paid related to financing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
House rental	10,045,761.84	16,793,860.22
Bond issuance costs	59,723.40	605,100.00
Discounted bank acceptance drafts, expiry of letters of credit	45,000,000.00	
Restricted stock repurchase obligations		6,773,467.22
Total	55,105,485.24	24,172,427.44

Description of other cash paid in connection with financing activities:

Changes in various liabilities arising from financing activities

Applicable ■ Not applicable

Unit: Yuan

Projects	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Change in cash	Non-cash change	Change in cash	Non-cash change	
Short-term loan	115,057,750.00	160,000,000.00	1,633,813.88	86,499,508.34	57,750.00	190,134,305.54
Other payables	0.00	0.00	33,904,921.40	33,904,921.40	0.00	0.00
Non-current liabilities due within one year	45,119,278.31		89,034,401.92	22,941,181.68	2,377,298.34	108,835,200.21
Long-term loan	319,550,000.10		5,506,219.92	14,459,662.0	72,876,884.1	237,719,673.2882
Lease liabilities	26,432,950.93		22,851,210.97	2,452,872.46	15,529,524.15	31,301,765.29
Total	506,159,979.34	160,000,000.00	152,930,568.09	160,258,145.90	90,841,456.67	567,990,944.86

56. Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Unit: Yuan

Supplementary information	Amount for the current period	Amount of the previous period
1. Adjusting net profit to cash flow from operating activities:		
Net profit	86,225,664.46	7,080,060.29
Add: asset impairment provision	21,937,615.84	7,985,577.83
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	48,849,870.82	44,061,072.87
Depreciation of right-of-use assets	10,170,286.52	13,909,131.63
Amortization of intangible assets	1,441,590.02	1,664,976.96
Amortization of long-term deferred expenses	7,573,109.99	4,310,166.28

Loss on disposal of fixed assets, intangible assets and other long-term assets (gains are listed with "- ")	-371,645.02	30,928.80
Loss of scrapping of fixed assets (income is listed with "- ")	2,082,711.47	206,769.54
Loss from changes in fair value (gains are listed with "- ")	-175,019.18	-777,517.81
Financial expenses (income is listed with "- ")	-4,827,414.12	10,502,809.23
Investment loss (gains are listed with "- ")	13,839,166.39	-537,486.64
Decrease in Deferred Tax Assets (increases are listed with "- ")	-3,892,994.58	-1,795,277.19
Increase in Deferred Tax Liabilities (decrease is listed with "- ")	-1,061,462.51	3,974,489.22
Decrease in inventory (increases are marked with "- ")	-143,953,600.90	-14,223,445.10
Decrease in operating receivables (increases are listed with "- ")	-191,870,520.02	-59,458,786.50
Increase in operating payables (decrease is listed with "- ")	219,059,383.36	127,375,563.77
other		40,024,150.01
Net cash flow from operating activities	65,026,742.54	184,333,183.19
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Debt to capital		
Convertible corporate bonds maturing within one year		
Finance lease of fixed assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	460,223,798.41	372,994,107.93
Less: opening balance of cash	527,879,261.54	438,009,246.87
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Cash and cash equivalents	-67,655,463.13	-65,015,138.94

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

Unit: Yuan

	Amount
Of which:	
Of which:	
Add: Cash or cash equivalents received in the current period from the disposal of a subsidiary in a previous period	44,000,000.00
Of which:	
Shanghai Anshibo Energy Technology Co., Ltd	44,000,000.00
Net cash received from disposal of subsidiaries	44,000,000.00

Other instructions:

(3) Composition of cash and cash equivalents

Unit: Yuan

Projects	Ending balance	Opening balance
I. Cash	460,223,798.41	527,879,261.54

Of which: cash on hand	60,626.68	27,752.25
Bank deposits that can be used for payment at any time	452,725,732.74	520,421,625.93
Other monetary funds that can be used for payment at any time	7,437,438.99	7,429,883.36
III. Balance of cash and cash equivalents at the end of the period	460,223,798.41	527,879,261.54

57. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: Yuan

Projects	Foreign currency balance at the end of the period	Converted exchange rate	RMB balance converted at the end of the period
Monetary fund			338,058,325.85
Of which: US dollars	38,292,531.73	7.12680000	272,903,215.13
EUR			
HKD	4,876.96	0.91268000	4,451.10
Vietnamese dong	25,646,495,203.00	0.00027995	7,179,736.33
New Taiwan Dollar	1,960,892.00	0.21873091	428,907.69
JPY	1,286,200,000.00	0.04473800	57,542,015.60
Accounts Receivable			439,707,587.85
Of which: US dollars	61,581,704.54	7.12680000	438,880,491.92
EUR			
HKD	804,663.88	0.91268000	734,400.63
Vietnamese dong	291,600,000.00	0.00027995	81,633.42
New Taiwan Dollar	50,573.00	0.21873091	11,061.88
Long-term loan			
Of which: US dollars			
EUR			
HKD			
Other receivables			11,136,325.85
Of which: US dollars	1,537,953.78	7.12680000	10,960,689.00
Vietnamese dong	427,157,282.00	0.00027995	119,582.68
New Taiwan Dollar	256,270.00	0.21873091	56,054.17
Account payables			116,300,608.75
Of which: US dollars	15,444,664.99	7.12680000	110,071,038.45
Vietnamese dong	22,252,438,990.00	0.00027995	6,229,570.30
Other payables			4,782,666.48
Of which: US dollars	44,122.67	7.12680000	314,453.44
HKD	535,053.18	0.91268000	488,332.34
Vietnamese dong	14,025,083,937.00	0.00027995	3,926,322.25
New Taiwan Dollar	244,860.00	0.21873091	53,558.45
Employee compensation payable			6,373,637.48
HKD	710,140.00	0.91268000	648,130.58
Vietnamese dong	16,490,477,764.00	0.00027995	4,616,509.25
New Taiwan Dollar	5,070,146.00	0.21873091	1,108,997.65

Other instructions:

(2) The description of overseas business entities, including important overseas business entities, should disclose their main overseas business locations, accounting standard currency and the basis for selection, and the reasons for changes in accounting standard currency should also be disclosed.

Applicable ☒ Not applicable

1. The main business place of Hong Kong Honor Electron Technology Co., Ltd., a subsidiary of the Company, is Hong Kong, with Hong Kong dollar as the functional currency.

2. The main business place of Vietnam Honor Electron Technology Co., Ltd., a subsidiary of the Company, is Vietnam, and the Vietnamese dong is the functional currency for accounting.

3. The main business place of Honor Electron Technology Co., Ltd., a subsidiary of the Company (USA), is the United States, and the US dollar is the functional currency for accounting.

4. The main place of business of MÉXICO HONOTO INDUSTRY S.A.de C.V., a subsidiary of the Company, is Mexico, and the Mexican peso is the standard currency for accounting.

58. Lease

(1) The company as the lessee

Applicable ☒ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☒ Applicable Not Applicable

Simplify lease fees for short-term leases or low-value assets

Applicable ☒ Not applicable

Projects	Number of current period
Short-term rental expenses	2,613,042.26

Circumstances involving sale and leaseback transactions

(2) The company acts as the lessor

Operating lease as lessor

Applicable ☒ Not applicable

Unit: Yuan

Projects	Rental income	Including: income related to variable lease payments not included in lease receipts
China Southern Airlines Pearl Garden shops for rent	1,525,324.54	
Ganzhou factory for rent	155,878.92	
Dongguan container supermarket rental	16,513.76	

Total	1,697,717.22	
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Finance lease as lessor

■ Applicable Not Applicable

Undiscounted lease receipts for each of the next five years

■ Applicable Not Applicable

Reconciliation of Undiscounted Lease Receipts to Net Lease Investment

(3) Recognize the profit and loss of finance lease sales as a manufacturer or distributor

■ Applicable Not Applicable

VIII. R&D; expenditure

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Staff and labor costs	73,495,380.83	74,524,883.12
Direct input cost	11,351,088.64	16,471,756.82
Depreciation expenses and long-term deferred expenses	9,168,460.24	11,787,712.00
Amortization expense of intangible assets	192,587.62	247,454.43
Other expenses	8,455,773.00	8,692,739.98
Total	102,663,290.33	111,724,546.35
Including: cost-based R&D; expenditure	102,663,290.33	111,724,546.35

IX. Changes in the scope of consolidation

1. Changes in the scope of consolidation due to other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as newly established subsidiaries, liquidation subsidiaries, etc.) and related circumstances:

On April 30, 2024, Hong Kong Honor Electron Technology Co., Ltd., a wholly-owned subsidiary of the company, subscribed to a registered capital of 72,270,000 Mexican pesos, and Axnon Co., Ltd., a wholly-owned subsidiary of the company, subscribed to a registered capital of 730,000 Mexican pesos, jointly funded the establishment of MÉXICO HONOTO INDUSTRY S.A. de C.V., with its registered address in Monterrey, Nuevo Leon, Mexico. Hong Kong Honor Electron Technology Co., Ltd. holds 99% of the shares, Axnon Co., Ltd. holds 1% of the shares; Shenzhen Honor Electronic Co., Ltd. indirectly holds 100% of the shares.

MÉXICO HONOTO INDUSTRY S.A.de C.V. has been incorporated into the scope of consolidation since its inception.

X .rights and interests in other entities

1. Interests in subsidiaries

(1) Composition of enterprise groups

Unit: Yuan

Subsidiary name	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding ratio		How to get
					Direct	Indirect	
Honor Electron (Ganzhou) Electronics Co., Ltd	126,675,603.00	Jiangxi Province	Ganzhou City, Jiangxi Province	Mainly engaged in the production and processing of power adapters and other power products	100.00%		Merge under the same control
Hong Kong Honor Electron Technology Co., Ltd	113,146,724.00	Hongkong	Hongkong	Mainly engaged in overseas sales of power adapters and other power products	100.00%		Investment establishment
Dongguan Honor Electron Electronics Co., Ltd	208,000,000.00	Guangdong Province	Dongguan City, Guangdong Province	Mainly engaged in the research and development, production and sales of power adapters and other power products	100.00%		Investment establishment
(USA) Axnon LLC	6,575,500.00	U.S	U.S	Mainly engaged in the sales and customer service of various power products	100.00%		Investment establishment
Hangzhou Yundian Technology Energy Co., Ltd	100,000,000.00	Zhejiang Province	Hangzhou City, Zhejiang Province	Mainly engaged in the research and development of various power products and customer service	80.00%		Investment establishment

Shenzhen Honor Electron Zhilian Technology Co., Ltd	20,000,000 .00	Guangdong Province	Shenzhen City, Guangdong Province	Mainly engaged in customer service for various power products	100.00%		Investment establishment
Suzhou Yundian Electronic Manufacturing Co., Ltd	50,000,000 .00	Jiangsu Province	Suzhou City, Jiangsu Province	Mainly engaged in the production of server power supplies	100.00%		Investment establishment
Shanghai Honor Electron Electronic Technology Co., Ltd	10,000,000 .00	Shanghai	Shanghai	Mainly engaged in the research and development of various power products and customer service	100.00%		Investment establishment
Vietnam Honor Electron Technology Co., Ltd	109,969,120.05	Vietnam	Vietnam	Mainly engaged in the production and overseas sales of various power products		100.00%	Investment establishment
MÉXICOHO NOTO INDUSTRIALS A.S.	30,476,349 .52	Mexico	Mexico	Mainly engaged in the production and overseas sales of various power products		100.00%	Investment establishment
C.V.							

Explanation that the shareholding ratio in the subsidiary is different from the voting rights ratio:

The basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

For important structured entities included in the scope of consolidation, the basis for control is:

Basis for determining whether a company is an agent or a principal:

Other instructions:

2. Interests in joint arrangements or associates

(1) Important joint ventures or associates

Name of joint venture or associate	Main place of business	Place of registration	Nature of business	Shareholding ratio		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	

Shanghai Anshibo Energy Technology Co., Ltd	Shanghai	Shanghai	Mainly engaged in the research and development of various power products and customer service	34.29%		Equity method accounting
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A description of the proportion of shares held in a joint venture or associate that is different from the proportion of voting rights:

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

(2) Main financial information of important associates

Unit: Yuan

	Balance at the end of the period/amount incurred in the current period	Balance at the beginning of the period/amount incurred in the previous period
	Shanghai Anshibo	Shanghai Anshibo
Current assets	187,608,692.90	146,673,225.08
Non-current assets	100,347,468.06	91,242,338.79
total assets	287,956,160.96	237,915,563.87
Current liabilities	166,085,449.47	89,025,597.71
Non-Current liabilities	30,240,067.21	35,748,414.45
Total liabilities	196,325,516.68	124,774,012.16
Minority interests		
Shareholders' equity attributable to common shareholders of parent company	91,630,644.28	113,141,551.71
Share of net assets calculated by shareholding ratio	31,420,147.92	41,771,860.89
Adjustment matters		
- goodwill		
--Unrealized profit on internal transactions		
--other		
Book value of equity investments in associates	84,186,007.29	90,101,287.36
Fair value of equity investments in associates with publicly quoted prices		
Operating income	95,861,991.90	44,261,394.32
Net profit	-41,513,493.43	-42,908,053.93
Net profit from discontinued operations		
Other comprehensive income	2,585.99	
Total comprehensive income	-41,510,907.44	-42,908,053.93
Dividends received from associates during the year		

Other instructions

(3) Consolidated financial information of insignificant joint ventures and associates

Unit: Yuan

	Balance at the end of the period/amount incurred in the current period	Balance at the beginning of the period/amount incurred in the previous period
Joint venture:		
Total book value of investments	766,875.57	796,790.14
The total number of the following items calculated according to the shareholding ratio		
--net profit	-29,914.57	-34,248.76
--total comprehensive income	-29,914.57	-34,248.76
Associates:		
The total number of the following items calculated according to the shareholding ratio		

Other instructions

11. Government subsidies

1. Government subsidies recognized according to the amount receivable at the end of the reporting period

■ Applicable Not Applicable

Reasons for not receiving the estimated amount of government grants at the estimated time

■ Applicable Not Applicable

2. Liability items involving government subsidies

Applicable ■ Not applicable

Unit: Yuan

Accounting subjects	Opening balance	New subsidy amount in this period	Amount included in non-operating income for the current period	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Related to assets/income
Deferred income	8,835,651.83	10,894,400.00		2,233,880.18		17,496,171 .65	Related to assets
Total	8,835,651.83	10,894,400.00		2,233,880.18		17,496,171.65	

3. Government subsidies included in current profits and losses

Applicable ■ Not applicable

Unit: Yuan

Accounting subjects	Amount in the current period	Amount in the previous period
Other income	5,541,114.12	3,668,555.15
Total	5,541,114.12	3,668,555.15

Other instructions

XII. Risks associated with financial instruments

1. Various risks arising from financial instruments

The Company's main financial instruments include monetary funds, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, other payables, etc.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk.

(1) Credit risk

Credit risk refers to the risk of financial losses incurred by the other party due to the non-performance of obligations by financial instruments.

The Company manages credit risk by portfolio classification. Credit risk mainly arises from bank deposits and accounts receivable. The Company's bank deposits are mainly deposited in banks with higher credit ratings, and the Company expects that there is no significant credit risk in bank deposits.

For accounts receivable, the Company sets relevant policies to control credit risk exposure. The company evaluates the debtor's credit qualifications based on the debtor's financial status, credit history and other factors such as current market conditions, and sets the corresponding amount of arrears and credit period. The Company's maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet. The Company has not provided any guarantees that may expose the Company to credit risk.

For quantitative data on the Company's credit risk exposure arising from accounts receivable and other receivables, please refer to the disclosures in Notes VII. 4. Accounts Receivable and VII. 6. Other Receivables in this Note.

(2) Market risk

Market risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk mainly includes exchange rate risk and interest rate risk.

1. Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The risk of foreign exchange changes faced by the Company is mainly related to the Company's operating activities, due to the sales of the operating units in currencies other than its functional currency.

For the listing of foreign currency financial assets and foreign currency financial liabilities of the Company at the end of the period, please refer to Note VII. 57. Description of foreign currency monetary items.

2. Interest rate risk

The Company's interest rate risk arises from interest-bearing debts such as bank loans. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, and financial liabilities with fixed interest rates expose the Company to fair value interest rate risk.

(3) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when the company fulfills its settlement obligations by delivering cash or other financial assets.

When managing liquidity risk, the Company maintains and monitors cash and cash equivalents that management believes are sufficient to meet the Company's operating needs and reduce the impact of cash flow fluctuations. The Company's management monitors the use of bank borrowings and ensures compliance with borrowing agreements.

The company's goal is to use a variety of financing means to maintain a balance between continuity and flexibility in financing.

The company regards bank borrowings and estimated cash flows from operations as its main sources of funds.

2. Financial assets

(1) Classification of transfer methods

Applicable ☒ Not applicable

Unit: Yuan

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Termination of confirmation	Judgment basis for termination of confirmation
Endorsement	Bank acceptance bills not yet due in notes receivable	94,873,275.64	Confirmation terminated not	Since the bank acceptance bills in the bills receivable are accepted by banks with low credit ratings, the endorsed or discounted bank acceptance bills do not affect the right of recourse, and the credit risk and deferred payment risk related to the bills have not been transferred, so the recognition has not been terminated.
Endorsement	Bank acceptance bills not yet due in notes receivable	96,004,894.31	Terminate confirmation	Since the bank acceptance bill in the receivable financing is accepted by the bank with higher credit rating, the credit risk and deferred payment risk are very small, and the interest rate risk related to the bill has been transferred to the bank, it can be judged that the main risk and reward on the ownership of the bill have been transferred, so the confirmation is terminated.
Total		190,878,169.95		

(2) Financial assets derecognized due to transfer

Applicable ☒ Not applicable

Unit: Yuan

Projects	How to transfer financial assets	Amount of derecognized financial assets	Gains or losses related to derecognition
Bank acceptance bills not yet due in receivables financing	Endorsement	96,004,894.31	
Total		96,004,894.31	

(3) Financial assets that continue to be involved in the transfer of assets

■ Applicable Not Applicable

Other instructions

XIII. Disclosure of Fair Value**1. End-of-period fair value of assets and liabilities measured at fair value**

Unit: Yuan

Projects	Fair value at the end of the period			
	First-level fair value measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Ongoing fair value measurement	--	--	--	--
1. Financial assets measured at fair value with changes in current profit and loss			65,175,019.18	65,175,019.18
(1) Structured deposits			65,175,019.18	65,175,019.18
2. Financial assets measured at fair value through other comprehensive income			30,512,034.70	30,512,034.70
(1) Receivables financing			30,512,034.70	30,512,034.70
Total assets continuously measured at fair value			95,687,053.88	95,687,053.88
II. Discontinuous fair value measurement	--	--	--	--

14. Related parties and related transactions**1. The parent company of the company**

Parent company name	Place of registration	Nature of business	Registered capital	Shareholding ratio of the parent company to the company	The proportion of voting rights of the parent company to the company
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Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	Nanjing City, Jiangsu Province	Equity investment	Rmb83.00mn	28.89%	28.89%
Shenzhen Genoli Information Consulting Co., Ltd	Shenzhen City, Guangdong Province	Equity investment	RMB 1.4 million	28.89%	28.89%

Description of the parent company of the enterprise

As of June 30, 2024, Shenzhen Wangyuewang Investment Partnership (Limited Partnership) and Shenzhen Genoli Information Consulting Co., Ltd. hold 29,234,023.00 shares of the Company, respectively, accounting for 28.89% of the total shares of the Company; they respectively control 28.89% of the voting rights of the Company and are the controlling shareholders of the Company.

The ultimate controllers of the enterprise are Wang Heqiu, Wang Yulin, Wang Yuetian, Wang Yuefei and Shang Yunsu.

Other instructions:

2. The company's subsidiaries

For details of the company's subsidiaries, please refer to Note X. Equity in other entities\ 1. Equity in subsidiaries.

3. The situation of the joint venture and joint venture of the enterprise

For details of the company's important joint ventures or associates, please refer to Note X. Interests in other entities\ 2. Interests in joint venture arrangements or associates.

Other joint ventures or associates that have related party transactions with the company in the current period, or have related party transactions with the company in the previous period to form a balance are as follows:

Joint venture or joint venture name	Relationship with the company
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Other instructions

4. Related party transactions

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

Procurement of goods/acceptance of labor status table

Unit: Yuan

Related party	Related transaction content	Amount in the current period	Approved transaction amount	Whether the transaction limit is exceeded	Amount in the previous period
Shenzhen Hangcheng Enterprise Headquarters Management Co., Ltd	Project management service fee	93,003.27		No	71,202.05

Sales of goods/provision of services

Unit: Yuan

Related party	Related transaction content	Amount in the current period	Amount in the previous period
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Description of related party transactions for purchase and sale of goods, provision and acceptance of labor services

(2) Related guarantees

The company as the guarantor

Unit: Yuan

Guaranteed party	Guaranteed amount	Guarantee start date	Guarantee Expiry Date	Whether the guarantee has been fulfilled
Dongguan Honor Electron Electronics Co., Ltd	201,040,000.00	October 11, 2021	October 10, 2029	No
Vietnam Honor Electron Technology Co., Ltd	35,471,000.00	March 21, 2024	December 31, 2024	No

The company as the guaranteed party

Unit: Yuan

Guarantor	Guaranteed amount	Guarantee start date	Guarantee Expiry Date	Whether the guarantee has been fulfilled
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Description of related guarantees

Note 1: On October 11, 2021, Dongguan Honor Electron, a subsidiary of the company, signed a fixed asset loan contract numbered GDK 476790120210153 with Bank of China Ltd. Dongguan Branch. Dongguan Honor Electron can apply to Bank of China Ltd. Dongguan Branch for a maximum loan amount of RMB 201.40 million. The joint and several liability guarantees are jointly undertaken by Shenzhen Honor Electronic Co., Ltd.'s debts under the above-mentioned contracts; and the joint and several liability guarantees are jointly undertaken by Dongguan Honor Electron's own real estate as collateral under the above-mentioned contracts. The guarantee numbers are GBZ 476790120210118 Maximum Guarantee Contract and GDY 47679012023093 Maximum Mortgage Contract respectively.

Note 2: On November 4, 2022, Honor Electron Vietnam signed a "letter of offer" financing agreement with Citibank, N. A., Hanoi Branch. Honor Electron Vietnam may apply to Citibank, N. A., Hanoi Branch for a maximum loan amount not exceeding the equivalent of US \$5,000,000.00; Shenzhen Honor Electronic Co., Ltd. applies for a bank guarantee/standby certificate from Citibank (China) Co., Ltd., and Citibank (China) Co., Ltd. issues a bank guarantee/standby certificate to Citibank, N. A., Hanoi Branch according to the application of Shenzhen Honor Electronic Co., Ltd.. Citibank, N. A., Hanoi Branch release the loan limit according to the bank guarantee/standby certificate issued. As of June 30, 2024, the "letter of offer" financing agreement signed by Honor Electron Vietnam and Citibank, N. A., Hanoi Branch has not been executed, and Shenzhen Honor Electronic Co., Ltd. has not applied for a bank guarantee/backup certificate from Citibank (China) Co., Ltd.

(3) Remuneration of key management personnel

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Compensation of key management personnel	5,761,255.88	4,338,166.64

(4) Other related party transactions

In order to divest the power module business of charging and swapping facilities, the company has sold the trademarks originally registered under the company's name involved in the power module business of charging and swapping facilities to Anshibo and Suzhou Bodian at the transfer price determined by the assessed value; as of June 30, 2024, the transfer of 60% equity of Shanghai Anshibo has been fully recovered. For details, please refer to the "Announcement on Transfer of 60% Equity Interests in Wholly Owned Subsidiaries and Abandonment of Priority Subscription and Capital Contribution Rights and Related Transactions" (Announcement No.: 2023-068).

5. Accounts receivable and payable from related parties

(1) Items receivable

Unit: Yuan

Name of project	Related party	Ending balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts Receivable	Shanghai Anshibo Energy Technology Co., Ltd			124,876.08	
Other receivables	Wang Yuetian, Shang Yunsi			44,000,000.00	

(2) Payable items

Unit: Yuan

Name of project	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Account payables	Suzhou Bodian Yunke Energy Technology Co., Ltd		503,595.88

15. Share-based payment

1. The overall situation of share-based payment

■ Applicable Not Applicable

2. Equity-settled share-based payments

■ Applicable Not Applicable

3. Cash-settled share-based payments

■ Applicable Not Applicable

4. Share-based payment fees for the current period

■ Applicable Not Applicable

5. Modification and termination of share-based payment

XVI. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

At the end of the reporting period, the company had no major commitments that should be disclosed.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

At the end of the reporting period, the Company had no material contingencies that should be disclosed.

(2) The company has no important contingencies that need to be disclosed and should also be explained

The company has no material contingencies that need to be disclosed.

VII. Events after the balance sheet date

1. Profit distribution

The number of dividends to be distributed per 10 shares (yuan)	3.07
Proposed distribution of dividends for every 10 shares (shares)	0
The number of shares to be allocated for every 10 shares (shares)	0
The number of dividends per 10 shares declared after deliberation and approval (yuan)	3.07
For every 10 dividend shares (shares) declared for distribution after deliberation and approval	0
The number of shares (shares) for every 10 shares issued after deliberation and approval	0
Profit distribution plan	Based on the company's existing total share capital of 101,200,000 shares, excluding the balance of 1,655,300 shares in the company's current repurchase account (the company's shares held by the company through the special repurchase account will not participate in this profit distribution), a total of 99,544,700 shares will be distributed. Based on this, a cash dividend of RMB 3.07 (including tax) will be distributed to all shareholders for every 10 shares, and a total cash dividend of RMB 30,560,222.90 (including tax) will be distributed. No bonus shares will be given out in this distribution, and no capital reserve will be converted into share capital.

2. Description of other events after the balance sheet date

Approved for registration by the China Securities Regulatory Commission "Zheng Jian Li [2024] No. 219", the company issued 6,445,265 convertible corporate bonds to unspecified objects on July 5, 2024, each with a face value of 100 yuan, with a total issuance of 644,526,500 yuan. With the approval of the Shenzhen Stock Exchange, the company's convertible corporate bonds of RMB 644,526,500 will be listed and traded on the Shenzhen Stock Exchange from July 26, 2024. The abbreviation of the bonds is "European Convertible Bonds" and the bond code is "123241".

XVIII. Notes to the main items in the financial statements of the parent company

1. Accounts receivable

(1) Disclosure by age

Unit: Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,408,012,439.53	979,245,798.04
1 to 2 years	34,378,782.40	7,489,004.26
2 to 3 years	1,187,004.62	215,433.51
More than 3 years	9,187,028.35	9,056,013.57
3 to 4 years	364,674.09	6,854,803.82
4 to 5 years	7,013,217.68	415,316.29
More than 5 years	1,809,136.58	1,785,893.46
Total	1,452,765,254.90	996,006,249.38

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

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Accounts receivable with provision for bad debts on a single-item basis	677,230,633.64	46.62%	8,208,930.35	1.21%	669,021,703.29	301,527,708.03	30.27%	8,190,372.29	2.72%	293,337,335.74
Of which:										
Accounts receivable with provision for bad debts by portfolio	775,534,621.26	53.38%	40,247,947.98	5.19%	735,286,673.28	694,478,541.35	69.73%	35,961,676.96	5.18%	658,516,864.39
Of which:										
Total	1,452,765,254.90	100.00%	48,456,878.33	3.34%	1,404,308,376.57	996,006,249.38	100.00%	44,152,049.25	4.43%	951,854,200.13

Category name of provision for bad debts by single item: accounts receivable with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Hangzhou Yundian Technology Energy Co., Ltd	6,710.40		6,710.40			Consolidated related parties do not accrue
(USA) Axnon	163,185.41		168,473.28			Consolidated related parties
Limited liability company						No accrual
Honor Electron (Ganzhou) Electronics Co., Ltd	0.00		171,574.02			Consolidated related parties do not accrue
Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch	20,589,559.41		36,075,291.31			Consolidated related parties do not accrue
Dongguan Honor Electron Electronics Co., Ltd	40,110,391.80		53,853,616.65			Consolidated related parties do not accrue
Hong Kong Honor Electron Technology Co., Ltd	48,199,017.22		102,246,497.08			Consolidated related parties do not accrue
Suzhou Yundian Electronic Manufacturing Co., Ltd	56,778,099.73		236,237,848.59			Consolidated related parties do not accrue
Vietnam Honor Electron Technology Co., Ltd	127,371,739.49		240,261,691.96			Consolidated related parties do not accrue
Beijing Yixin Huiming Technology Co., Ltd	1,229,423.99	1,229,423.99	1,229,423.99	1,229,423.99	100.00%	Not expected to be recovered
Sichuan Yihaihua Technology Co., Ltd	2,971,390.41	2,971,390.41	2,971,390.41	2,971,390.41	100.00%	Not expected to be recovered
Yihaihua (Hong Kong) Technology Co., Ltd	3,983,314.09	3,983,314.09	4,008,115.95	4,008,115.95	100.00%	Not expected to be recovered
Shanghai Anshibo Energy Technology Co., Ltd	124,876.08	6,243.80				
Total	301,527,708.03	8,190,372.29	677,230,633.64	8,208,930.35		

Provision for bad debts by combination Category name: Accounts receivable with provision for bad debts by aging combination

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	770,972,554.76	38,548,627.78	5.00%
1-2 years (including 2 years)	2,317,973.37	231,797.35	10.00%
2-3 years (including 3 years)	891,042.72	178,208.54	20.00%
3-4 years (including 4 years)	127,472.23	63,736.13	50.00%
More than 4 years	1,225,578.18	1,225,578.18	100.00%
Total	775,534,621.26	40,247,947.98	

Description of the basis for determining the combination:

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

■ Applicable Not Applicable

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

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Provision for bad debts on a single-item basis	8,190,372.29	18,558.06				8,208,930.35
Accrual by combination	35,961,676.9	4,286,271.02				40,247,947.9
Account preparation	6					8
Total	44,152,049.25	4,304,829.08				48,456,878.33

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

Unit: Yuan

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

(4) Accounts receivable and contract assets of the top five accounts receivable and contract assets at the end of the period collected by the owing party

Unit: Yuan

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	As a percentage of the combined ending balance of accounts receivable and contract assets	The ending balance of the provision for bad debts of accounts receivable and the provision for impairment of contract assets
First place	240,261,691.96		240,261,691.96	16.54%	
Second place	236,237,848.59		236,237,848.59	16.26%	
Third place	135,732,522.15		135,732,522.15	9.34%	6,786,626.11
Fourth place	115,192,273.75		115,192,273.75	7.93%	5,759,613.69
Fifth place	102,246,497.08		102,246,497.08	7.04%	
Total	829,670,833.53		829,670,833.53	57.11%	12,546,239.80

2. Other receivables

Unit: Yuan

Projects	Ending balance	Opening balance
Interest receivable	1,097,463.66	361,080.46
Other receivables	25,847,746.76	95,160,151.06
Total	26,945,210.42	95,521,231.52

(1) Interest receivable

1) Classification of interest receivable

Unit: Yuan

Projects	Ending balance	Opening balance
Bank Acceptance Margin Interest	356,890.22	361,080.46
Interest on bank deposits	740,573.44	
Total	1,097,463.66	361,080.46

2) Disclosure by classification of bad debt accrual method

Applicable ☒ Not applicable

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book price	Book balance		Provision for bad debts		Book price
	Amount	Proportion	Amount	Withdrawal ratio	Price	Amount	Proportion	Amount	Withdrawal ratio	Price
Provision for bad debts on a single-item basis	1,097,463.66	100.00%			1,097,463.66	361,080.46	100.00%			361,080.46
Of which:										
Of which:										
Total	1,097,463.66	100.00%			1,097,463.66	361,080.46	100.00%			361,080.46

Provision for bad debts by single item Category name: Interest receivable with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Bank Acceptance Margin Interest	361,080.46		356,890.22			Bank interest, lower loss ratio
Interest on bank deposits			740,573.44			Bank interest, lower loss ratio
Total	361,080.46		1,097,463.66			

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

Unit: Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2024 in the current period				

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

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

■ Applicable Not Applicable

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

Unit: Yuan

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

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

Unit: Yuan

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

4) Interest receivables actually written off in the current period

Unit: Yuan

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

Unit: Yuan

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

Other instructions:

(2) Other receivables

1) Classification of other receivables by nature of payment

Unit: Yuan

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Current payment	21,739,006.51	27,023,908.02
Security deposit and deposit	4,147,966.35	8,198,649.15
Withholding and paying social security/provident fund	1,083,333.70	1,049,466.06
Equity transfer payment		44,000,000.00
Export tax rebate		18,778,740.52
other	1,071,768.68	1,703,942.31
Total	28,042,075.24	100,754,706.06

2) Disclosure by age

Unit: Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	23,705,510.84	92,885,110.84
1 to 2 years	126,751.98	32,400.00
2 to 3 years	1,758,592.95	4,165,412.95
More than 3 years	2,451,219.47	3,671,782.27
3 to 4 years	1,439,220.00	13,220.00
4 to 5 years	627,698.05	628,198.05
More than 5 years	384,301.42	3,030,364.22
Total	28,042,075.24	100,754,706.06

3) Disclosure by classification of bad debt accrual method

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Provision for bad debts on a single-item basis	22,356,704.56	79.73%	617,698.05	2.76%	21,739,006.51	71,641,606.07	71.10%	617,698.05	0.86%	71,023,908.02

Of which:										
Provision for bad debts by portfolio	5,685,370.68	20.27%	1,576,630.43	27.73%	4,108,740.25	29,113,099.99	28.90%	4,976,856.95	17.09%	24,136,243.04
Of which:										
Total	28,042,075.24	100.00%	2,194,328.48	7.83%	25,847,746.76	100,754,706.06	100.00%	5,594,555.00	5.55%	95,160,151.06

Provision for bad debts by single item Category name: Other receivables with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Vietnam Honor Hingh Tech Company Limited (Vietnam Honor Electron)	17,020,158.02		11,600,256.51			Consolidated related party transactions
Ganzhou Honor Electron	10,003,750.00		10,138,750.00			Consolidated related party transactions
Shenzhen Jingweixin Technology Co., Ltd	617,698.05	617,698.05	617,698.05	617,698.05	100.00%	The debtor is bankrupt
Wang Yuetian	26,400,000.00					
Shang Yungsi	17,600,000.00					
Total	71,641,606.07	617,698.05	22,356,704.56	617,698.05		

Provision for bad debts by combination Category name: Other receivables with provision for bad debts by aging combination

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	1,966,504.33	98,325.22	5.00%
1-2 years (including 2 years)	126,751.98	12,675.20	10.00%
2-3 years (including 3 years)	1,758,592.95	351,718.59	20.00%
3-4 years (including 4 years)	1,439,220.00	719,610.00	50.00%
4-5 years (including 5 years)	10,000.00	10,000.00	100.00%
More than 5 years	384,301.42	384,301.42	100.00%
Total	5,685,370.68	1,576,630.43	

Description of the basis for determining the combination:

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

Unit: Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2024	4,976,856.95		617,698.05	5,594,555.00

Balance at January 1, 2024 in the current period				
Provision for the current period	-3,400,226.52			-3,400,226.52
June 30, 2024	1,576,630.43		617,698.05	2,194,328.48

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

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

■ Applicable Not Applicable

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

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	other	
Provision for bad debts on a single-item basis	617,698.05					617,698.05
Provision for bad debts by portfolio	4,976,856.95	-3,400,226.52				1,576,630.43
Total	5,594,555.00	-3,400,226.52				2,194,328.48

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

Unit: Yuan

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

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

Unit: Yuan

Unit name	Nature of money	Ending balance	Aging	As a percentage of the total ending balance of other receivables	Ending balance of bad debt provision
First place	Current payment	11,600,256.51	Within 1 year	41.37%	
Second place	Current payment	10,138,750.00	Within 1 year	36.16%	
Third place	Security deposit and deposit	3,012,684.00	1-4 years	10.74%	911,077.80
Fourth place	Withholding and paying social security	707,387.34	Within 1 year	2.52%	35,369.37

Fifth place	Rent rent	617,698.05	4-5 years	2.20%	617,698.05
Total		26,076,775.90		92.99%	1,564,145.22

3. Long-term equity investment

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	596,825,104.63		596,825,104.63	584,825,104.63		584,825,104.63
Investment in associates and joint ventures	31,633,215.88		31,633,215.88	41,771,860.88		41,771,860.88
Total	628,458,320.51		628,458,320.51	626,596,965.51		626,596,965.51

(1) Investment in subsidiaries

Unit: Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period				Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduce investment	Provision for impairment	other		
Honor Electron (Ganzhou) Electronics Co., Ltd	121,134,361.50						121,134,361.50	
Hong Kong Honor Electron Technology Co., Ltd	113,146,724.00						113,146,724.00	
Dongguan Honor Electron Electronics Co., Ltd	208,000,000.00						208,000,000.00	
(USA) Axnon LLC	6,575,500.00						6,575,500.00	
Hangzhou Yundian Technology Energy Co., Ltd	81,468,519.13		10,000,000.00				91,468,519.13	
Shenzhen Honor Electron Zhilian Technology Co., Ltd	3,500,000.00						3,500,000.00	

Suzhou Yundian Electronic Manufacturing Co., Ltd	50,000,000.00						50,000,000.00	
Shanghai Honor Electron Electronic Technology Co., Ltd	1,000,000.00		2,000,000.00				3,000,000.00	
Total	584,825,104.63		12,000,000.00				596,825,104.63	

(2) Investment in associates and joint ventures

Unit: Yuan

Investment unit	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period								Ending balance (book value)	Ending balance of impairment provision
			Additio nal inve stment	Reduce investm ent	Investm ent gains and losses re cognize d under the equity method	Other c ompreh ensive income adjustm ent	Changes in other equity	Declarat ion of cash div idends or profits	Provisio n for im pairmen t	other		
I. Joint venture												
II. Joint ventures												
Shangha i Anshi	41,771, 860				-14,30		4,164,3 81.				31,633, 215	
Bo Energy Technol ogy Co., Ltd	.88				3,026.55		55				.88	
Subtotal	41,771, 860.88				-14,303, 026.55		4,164,3 81.55				31,633, 215.88	
Total	41,771, 860.88				-14,303, 026.55		4,164,3 81.55				31,633, 215.88	

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

■ Applicable Not Applicable

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

■ Applicable Not Applicable

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

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

4. Operating income and operating costs

Unit: Yuan

Projects	Amount in the current period		Amount in the previous period	
	income	Cost	income	Cost
Main business	1,137,830,235.19	948,988,381.67	982,987,113.99	832,399,376.54
Other business	437,040,988.81	366,741,678.05	205,327,693.63	182,125,216.86
Total	1,574,871,224.00	1,315,730,059.72	1,188,314,807.62	1,014,524,593.40

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

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have signed contracts but have not been fulfilled or have not been fulfilled is RMB 493,137,489.60, of which RMB 493,137,489.60 is expected to be recognized as revenue in 2024.

5. Investment income

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Long-term equity investment income accounted for by the equity method	-14,303,026.55	
Income from Bank Wealth Management Products	473,424.67	231,589.04
Total	-13,829,601.88	231,589.04

XIX. Supplementary information

1. Current non-recurring profit and loss schedule

Applicable ■ Not applicable

Unit: Yuan

Projects	Amount	Description
Gains and losses on disposal of illiquid assets	-1,711,066.45	

Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the company's profit and loss)	5,541,114.12	Mainly government subsidy income.
In addition to the effective hedging business related to the company's normal business operations, the fair value gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities	175,019.18	It is mainly to accrue the income of wealth management products for the current period.
Profit and loss of entrusting others to invest or manage assets	493,774.73	It is the income from wealth management products actually received in the current period.
Other non-operating revenue and expenditure other than the above-mentioned items	817,265.16	
Other profit and loss items that meet the definition of non-recurring profit and loss	3,271,070.28	
Less: Income tax impact amount	715,033.46	
Amount of impact on minority shareholders' equity (after tax)	16,205.10	
Total	7,855,938.46	--

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

Applicable ☒ Not applicable

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

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

☒ Applicable Not Applicable

2. Return on equity and earnings per share

Profit for the reporting period	Weighted average return on equity	EPS	
		Basic earnings per share (yuan/share)	Diluted earnings per share (yuan/share)
Net profit attributable to common shareholders of the company	4.55%	0.85	0.85
Net profit attributable to common shareholders of the company after deducting non-recurring gains and losses	4.14%	0.78	0.78

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

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

■ Applicable Not Applicable

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

■ Applicable Not Applicable

(3) Explanation of the reasons for the differences in accounting data under the domestic and foreign accounting standards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the overseas institution shall be indicated

■ Applicable Not Applicable