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2024 年度报告

Four]- 四川长虹新能源科技股份有限公司

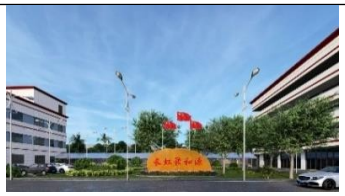
Sichuan Changhong New Energy Technology Co., Ltd.



官网

公众号

Company Annual Milestones

January 2024: The company's "High-Performance Alkaline Manganese Battery High-Speed Automated Production Line" project was awarded the First Prize of the Fifth Sichuan Electronic Science and Technology Award for 2023.	
In March 2024, the company launched a high-performance eco-friendly alkaline battery investment project in Thailand. with an annual production capacity of 700 million alkaline batteries upon completion. In July of the same year, the Thai subsidiary completed its company registration in Thailand. In December of the same year, the project held a groundbreaking ceremony, marking the orderly advancement of overseas factory construction.	
In April 2024, the company was selected as a premium enterprise in the humanoid robot supply chain at the 2024 China Humanoid Robot Technology Application Summit held in Shanghai.	
In June 2024, the company's 5G Demonstration Factory Leading "Smart" Manufacturing Enhancement Project was honored as the 2023 Sichuan Province "5G+Industrial Internet" Benchmark Project.	
June 2024: Hunan Juheyuan initiated investment to expand the square polymer lithium-ion battery production line in Zhongfang. Production Line, which will add a daily production capacity of 30,000 prismatic polymer lithium batteries upon completion.	
In September 2024, the company's "High-Performance Alkaline Manganese Batteries and High-Speed Intelligent Production Line" was awarded the "Sichuan Provincial Science and Technology Progress Award" by the Sichuan Provincial People's Government.	
In November 2024, Changhong Sanjie was honored with the "14th (2024) China Battery New Energy Industry Annual Innovation Award" by Battery Network.	

In December 2024, Shenzhen Juheyuan introduced strategic investors to integrate advantageous resources and support the company's rapid development.



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Section I Important Notices, Table of Contents, and Definitions

[Statement]

The directors, supervisors, and senior management of the Company warrant that the information contained in this report is free from false records, misleading statements, or material omissions, and assume individual and joint liability for the truthfulness, accuracy, and completeness of its contents.

Guo Long, the person in charge of the Company, Zhao Jingchun, the person in charge of accounting work, and Zhao Jingchun, the person in charge of the accounting department (accounting supervisor), guarantee the truthfulness, accuracy, and completeness of the financial reports in the annual report.

Tianjian Certified Public Accountants LLP has issued an unqualified audit opinion on the Company's financial statements.

Forward-looking statements regarding future plans contained in this annual report do not constitute substantive commitments by the company to investors. Investors and relevant parties should maintain sufficient awareness of risks and understand the differences between plans, forecasts, and commitments.

Item	Yes or No
Whether any directors, supervisors, or senior management personnel of the company have raised objections to the content of the annual report or are unable to guarantee its truthfulness, accuracy, and completeness accuracy, and completeness	☐ Yes √ No
Are there any directors who did not attend the board meeting to review the annual report?	☐ Yes √ No
Are there any matters that were not disclosed as required?	☐ Yes √ No

【Major Risk Disclosure】

1. Is there a risk of delisting?

☐ Yes √ No

2. Have there been significant changes in major risks during the current period?

☐ **Yes √ No**

The Company has analyzed its major risks in the "Section IV. Risk Management" of the "Section IVManagement Discussion and Analysis" in this report. Investors are advised to read it carefully.

Glossary

Definition Item		Definition
Company, Changhong Energy, the Group	Refers to	Sichuan Changhong New Energy Technology Co., Ltd.
Changhong Group, Changhong Holdings	Refers to	Sichuan Changhong Electronics Holding Group Co., Ltd.
Changhong Feishi	Refers to	Zhejiang Changhong Feishi Electrical Appliance Industry Co., Ltd.
Changhong Sanjie, Jiangsu Sanjie	Refers to	Changhong Sanjie New Energy Co., Ltd.
Changhong Jiechuang, Jiechuang Lithium Battery	Refers to	Sichuan Changhong Jiechuang Lithium Battery Technology Co., Ltd.
Suzhou Research Institute	Refers to	Changhong Sanjie New Energy (Suzhou) Co., Ltd.
Sichuan Changhong	Refers to	Sichuan Changhong Electric Co., Ltd.
Changhong Finance Company	Refers to	Sichuan Changhong Group Finance Co., Ltd.
Sanglide	Refers to	Sichuan Sanglide Precision Parts Manufacturing Co., Ltd.
Tai Hong Company	Point	Sichuan Taihong Technology Co., Ltd.
Shenzhen Juheyuan	Point	Shenzhen Changhong Juheyuan Technology Co., Ltd.
Hunan Juheyuan	Refers to	Hunan Changhong Juheyuan Technology Co., Ltd.
Thailand Company	Refers to	Changhong New Energy (Thailand) Co., Ltd.
Senior Management	Refers to	General Manager, Deputy General Manager, Chief Financial Officer, Board Secretary
Articles of Association	Refers to	Articles of Association of Sichuan Changhong New Energy Technology Co., Ltd.
Reporting Period	Refers to	January 1, 2024 to December 31, 2024
Yuan, ten thousand yuan, hundred million yuan	Refers to	RMB yuan, RMB ten thousand yuan, RMB hundred million yuan

Section II Company Overview

I. Basic Information

Stock Abbreviation	Changhong Energy
Stock Code	836239
Full Chinese Name	Sichuan Changhong New Energy Technology Co., Ltd.
English Name and Abbreviation	Sichuan Changhong New Energy Technology Co., Ltd.
	Changhong New Energy
Legal Representative	Guo Long

II. Contact Information

Board Secretary Name	Guo Jian
Address	36 Xinping Avenue, Mianyang City
Tel	0816-2415005
Fax	0816-2415005
Secretary's Email	jian1.guo@changhong.com
Company Website	http://www.changhongnewenergy.com
Office Address	36 Xinping Avenue, Mianyang City
Postal Code	621000
Company Email	jian1.guo@changhong.com

III. Information Disclosure and Filing Location

Company Annual Report	2024 Annual Report
Stock Exchange Website Where Annual Report is Disclosed	www.bse.cn
Name and URL of Media Where Annual Report is Disclosed	Securities Times (www.stcn.com) Shanghai Securities News (www.cnstock.com) China Securities Journal (www.cs.com.cn), Securities Daily (www.zqrb.cn)
Annual Report Retention Location	Board of Directors Office, No. 36 Xinping Avenue, Mianyang City

IV. Corporate Information

Stock Exchange Where Company Shares Are Listed	Beijing Stock Exchange
Listing Date	November 15, 2021
Industry Classification	Manufacturing (C) - Electrical Machinery and Equipment Manufacturing (C38) - Battery Manufacturing (C384) - Zinc-Manganese Battery Manufacturing (C3844)
Primary Products and Services	Primarily engaged in the R&D, production, sales, and related services of alkaline zinc-manganese batteries and lithium-ion batteries. Related Services
Total Common Shares Outstanding (Shares)	130,053,003
Total Preferred Shares Outstanding (Shares)	0

Controlling Shareholder	Sichuan Changhong Electronics Holding Group Co., Ltd.
Beneficial Owner and Persons Acting in Concert	The actual controller is the Mianyang Municipal State-owned Assets Supervision and Administration Commission. There are no concerted parties.

V. Registration Change Status

☐ Applicable √ Not Applicable

VI. Intermediary Institutions

Accounting Firm Engaged by the Company	Name	Tianjian Certified Public Accountants LLP
	Office Address	No. 128, Xixi Road, Lingyin Subdistrict, Xihu District, Hangzhou City, Zhejiang Province
	Signing Accountant Name	Zhao Xingming, Zeng Lijuan
Sponsoring Institution Performing Ongoing Supervision Duties During the Reporting Period	Name	Shin Wan Hongyuan Securities Underwriting and Sponsorship Co., Ltd.
	Office Address	989 Changle Road, Xuhui District, Shanghai
	Name of Sponsorship Representatives	Wang Peng, Huang Xuesheng
	Period of Ongoing Supervision	February 9, 2021 - December 31, 2024

VII. Voluntary Disclosure

☐ Applicable √ Not Applicable

VIII. Post-Reporting Period Updates

☐ Applicable √ Not Applicable

Section III Accounting Data and Financial Indicators

I. Profitability

Unit: CNY

	2024	2023	Year-on-Year Change Year-on-Year Change %	2022
Operating Revenue	3,671,054,739.31	2,796,816,309.58	31.26%	3,205,769,815.42
Gross Profit Margin %	16.59%	10.29%	-	15.51%
Net profit attributable to shareholders of the listed company Profit	197,184,938.26	-270,899,078.28	172.79%	112,141,846.72
Net Profit Attributable to Shareholders of the Listed Company After Deduction of Non-Recurring Gains and Losses Profit	176,158,091.92	-296,309,570.91	159.45%	97,040,426.19
Weighted Average Return on Net Assets % (Based on net profit attributable to shareholders of the listed company))	24.45%	-31.59%	-	11.34%
Weighted Average Return on Net Assets %	21.84%	-34.56%	-	9.82%

II. Operating Performance

Unit: CNY

	End of 2024	End of 2023	Year-on-Year Increase Decrease %	End of 2022
Basic earnings per share	1.62	2.08	172.79%	0.86
Total Assets	4,553,065,116.04	4,477,131,596.71	1.70%	4,420,826,283.07
Total Liabilities	3,455,845,243.22	3,666,218,054.30	-5.74%	3,182,895,214.07
Net profit attributable to shareholders of the listed company Assets	904,833,033.33	708,390,649.36	27.73%	1,012,427,725.30
Net Assets Per Share Attributable to Shareholders of the Listed Company Per Share Net Assets	6.96	5.45	27.73%	7.78
Debt-to-Asset Ratio % (Parent Company)	49.06%	56.54%	-	49.35%
Debt-to-Asset Ratio % (Consolidated)	75.90%	81.89%	-	72.00%
Current Ratio	0.83	0.74	-	1.06

	2024	2023	Year-on-year Year-on-Year Change %	2022
Interest Coverage Ratio	5.38	-6.50	-	3.67
Cash Flow from Operating Activities	353,609,120.97	-36,601,738.42	1,066.10%	230,778,308.40

Net Amount				
Accounts Receivable Turnover Ratio	4.76	4.49	-	5.39
Inventory Turnover Ratio	4.12	2.70	-	3.06
Total Assets Growth Rate %	1.70%	1.27%	-	13.45%
Operating Revenue Growth Rate %	31.26%	-12.76%	-	4.37%
Net Profit Growth Rate %	155.50%	-449.40%	-	-67.68%

III. Differences in Accounting Data Under Domestic and International Accounting Standards

☐ Applicable √ Not Applicable

IV. Differences from Financial Data Disclosed in Earnings Forecasts/Earnings Reports

√ Applicable ☐ Not Applicable

Item	Performance Report Current Reporting Period	Audited Current Reporting Period	Differences between audited financial data and financial data disclosed in the earnings report Difference Range
Operating Revenue	3,671,054,739.33	3,671,054,739.31	0.00%
Total Profit	246,339,092.59	247,991,236.36	0.67%
Net Profit Attributable to Shareholders of the Listed Company	196,269,218.39	197,184,938.26	0.47%
Net profit attributable to shareholders of the listed company, excluding non-recurring gains and losses Net profit attributable to shareholders of the listed company	179,132,636.24	176,158,091.92	-1.66%
Basic earnings per share	1.51	1.52	0.47%
Weighted Average Return on Equity % (Before Non-Recurring Items)	24.34%	24.45%	-
Weighted Average Return on Equity % (After Non-Recurring Items)	22.21%	21.84%	-
	Performance Report	Audited Data	Differences between audited financial data and financial data disclosed in the performance report Difference Range
Total Assets	4,965,378,166.50	4,553,065,116.04	-8.30%
Equity Attributable to Shareholders of the Listed Company	906,338,227.18	904,833,033.33	-0.17%
Share Capital	130,053,003	130,053,003	0.00%
Net Assets Per Share Attributable to Shareholders of the Listed Company	6.97	6.96	-0.17%

Note: The Company disclosed the "2024 Annual Performance Report Announcement" (Announcement No.: 2025-005) on February 27, 2025. The primary financial data for 2024 contained in the announcement are preliminary figures and have not been audited by an accounting firm.There are no material differences between the audited financial data disclosed in the 2024 Annual Report and the financial data disclosed in the performance report, with the difference not exceeding 20%.

V. Key Quarterly Financial Data for 2024

Unit: RMB

Item	First Quarter (January–March)	Second Quarter (April–June)	Third Quarter (July–September)	Fourth Quarter (October–December)
Operating Revenue	803,013,192.01	825,388,423.87	1,040,409,616.02	1,002,243,507.41
Net profit attributable to shareholders of the listed company	41,785,172.30	44,524,200.70	56,493,973.64	54,381,591.62
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	36,302,521.09	39,312,361.66	54,048,282.05	46,494,927.12
Net profit attributable to shareholders of the listed company				

Explanation of Differences Between Quarterly Data and Previously Disclosed Periodic Report Data:

□ Applicable √ Not Applicable

VI. Non-recurring items and amounts

Unit: Yuan

Item	2024 Amount	2023 Amount	2022 Amount	Description
Gain or loss on disposal of non-current assets, including reversal of impairment provisions on assets	77,087.77	-123,479.07	-998,291.12	-
Reversal of impairment provisions				
Government grants recognized in profit or loss for the period, but closely related to the company's normal business operations, compliant with national policy regulations, enjoyed according to established standards, and having a continuing impact on the company's profit or loss	31,712,068.63	33,348,321.52	20,921,392.38	-
Excluded				
Except for effective hedging activities related to the company's normal business operations, gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses arising from the disposal of financial assets and financial liabilities	-4,314,760.60	-	-	-
-				
Transfer of impairment allowance for individually tested receivables	68,935.82	-	-	-
Reversal				

Other than the above items Other non-operating income and expenses	1,820,279.63	2,251,969.56	835,213.19	-
Total Non-Recurring Gains and Losses	29,363,611.25	35,476,812.01	20,758,314.45	-
Income tax effect	4,010,631.71	3,970,282.79	2,694,071.59	-
Impact on Minority Interests (After Tax)	4,326,133.20	6,096,036.59	2,962,822.33	-
Net Non-Recurring Gains and Losses	21,026,846.34	25,410,492.63	15,101,420.53	-

VII. Supplementary Financial Indicators

☐ Applicable √ Not Applicable

VIII. Changes in Accounting Policies, Accounting Estimates, or Correction of Significant Errors

(a) Retrospective Adjustment or Restatement of Accounting Data

☐ Accounting policy change ☐ Accounting error correction ☐ Other reasons √ Not applicable

(b) Reasons and effects of changes in accounting policies, accounting estimates, or corrections of material accounting errors

√ Applicable ☐ Not applicable

1. Effective January 1, 2024, the Company adopted the provisions of Interpretation No. 17 of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, "Classification of Current Liabilities and Non-Current Liabilities." This change in accounting policy had no impact on the Company's financial statements.

2. Effective January 1, 2024, the Company implemented the provisions of Interpretation No. 17 of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, "Disclosure of Supplier Financing Arrangements." This change in accounting policy had no impact on the Company's financial statements.

3. The Company has implemented the provisions of Interpretation No. 17 of the Accounting Standards for Business Enterprises, "Accounting Treatment for Sale and Leaseback Transactions," issued by the Ministry of Finance, effective January 1, 2024. This change in accounting policy has no impact on the Company's financial statements.

4. The Company has implemented Interpretation No. 18 of the Accounting Standards for Business Enterprises, "Accounting Treatment for Warranty-Type Quality Guarantees Not Classified as Individual Performance Obligations," issued by the Ministry of Finance, effective January 1, 2024. This change in accounting policy has no impact on the Company's financial statements.

Section IV Management Discussion and Analysis

I. Business Overview

Changes in the Business Model During the Reporting Period:

The company is a service provider in the battery industry specializing in the design, development, production, and sales of primary cylindrical alkaline zinc-manganese batteries,and cylindrical high-rate lithium batteries and polymer lithium-ion batteries. It serves as a provider of design, development, production, and sales services for alkaline manganese batteries and lithium batteries. The company and its subsidiaries collectively hold 293 patented technologies and have obtained production and operation qualifications including Quality Management System Certification, Environmental Management System Certification, Occupational Health and Safety Management System Certification, and Import/Export Business Certification. It is recognized as a National High-Tech Enterprise and a National Specialized, Refined, Distinctive, and Innovative "Little Giant" Enterprise.

Leveraging robust R&D capabilities and production management expertise, the company continuously develops new products aligned with market trends and customer demands. It supplies high-performance battery products and premium services to numerous globally renowned brands, serving sectors including consumer electronics, power tools, cleaning tools, mobile energy storage, and smart terminals. Its alkaline battery business has established stable domestic and international sales channels through strong brand recognition and corporate credibility. By adopting an OEM model, it maintains long-term strategic partnerships with internationally recognized brands, ensuring relatively stable production and sales volumes.Domestic sales primarily utilize a direct sales + distribution model, supplemented by online platform sales. Industrial customers within China are mainly concentrated in coastal regions, while channel customers are spread nationwide. Overseas customers are primarily located in Asia, the Americas, Europe, and other regions. The lithium battery business has earned recognition from high-end industry customers through its deep technical and industry background, efficient and scientific management methods, comprehensive quality management system, and rapid after-sales service. Products are mainly sold through a direct sales model.The polymer lithium-ion battery business, built on over a decade of technological expertise, has cultivated a stable base of premium clients in the e-cigarette and smart device sectors, with products primarily sold through direct sales. The Company's main source of revenue is product sales.

The Company's business model remained unchanged during the reporting period and from the end of the reporting period to the date of this report.

Changes in Core Competitiveness During the Reporting Period:

☐ Applicable √ Not Applicable

Specialized, Refined, Unique, and Innovative Enterprise Designation Status

√ Applicable ☐ Not Applicable

"Specialized, Refined, Distinctive, and Innovative" Designation	√ National Level ☐ Provincial (Municipal) Level
"High-Tech Enterprise" Recognition	Yes
Other Relevant Certifications	National-level Green Factory, AEO Advanced Certification Enterprise

II. Business Performance Review

(1) Business Plan

In 2024, the company continued to adhere to the strategic approach of "Strengthening, Expanding, and Innovating." Focusing on the goals of "Ultimate Efficiency and Extreme Cost Control," it continuously enhanced product price competitiveness, quality competitiveness, and technological competitiveness. This enabled steady growth in the alkaline battery business while advancing the "Foundation Strengthening Initiative." The lithium battery business achieved a substantial turnaround from loss to profit, demonstrating a sustained positive development trend. Concurrently, the company is fully committed to building new growth engines— —and accelerating the development of polymer lithium battery capabilities.By strengthening synergies across business segments, the company has implemented an integrated management model where each segment supports, coordinates with, and empowers the others. This has gradually established a new multi-domain, multi-polar development pattern for new energy.

1. Operating Performance Reaches New Heights with Steady Improvement in Efficiency

During the reporting period, the company achieved operating revenue of RMB 3.671 billion, a year-on-year increase of 31.26%, with net profit attributable to the parent company reaching RMB 197 million, a year-on-year increase of 172.79%.

, a year-on-year increase of 172.79%. Net cash flow from operating activities reached RMB 354 million, a year-on-year increase of 1066.10%.

2. Business Layout Yields Results, Market Expansion Deepens

The company has completed its transition from specialization to related diversification, forming a three-pronged approach of alkaline batteries, high-rate lithium batteries, and polymer lithium batteries that complement each other.

synergistic, multi-polar development. The alkaline battery business focused on "stabilizing existing volumes and expanding incremental growth," actively securing customer orders to maintain steady operational growth.The high-rate lithium battery business continues to refine its marketing structure, enhancing team collaboration and customer development capabilities. In 2024, it achieved significant scale breakthroughs in sectors including garden tools, cleaning tools, and portable energy storage. The polymer lithium battery business seized market opportunities, with substantial revenue growth in 3C digital and IoT terminal batteries in 2024, serving major clients including top domestic and international brands.

3. Upholding Technology Innovation as the Driving Force, Continuously Transforming Technological Achievements

The company adheres to the philosophy of "Technology as King, Product Leadership," focusing on resolving critical bottlenecks. Guided by market demand, it advances a differentiated product development strategy to vigorously build core technological competitiveness. The alkaline battery business actively explores the application of new materials, processes, and structures to cultivate differentiated R&D capabilities, driving continuous enhancement of product market competitiveness.The high-rate lithium battery business continues advancing R&D for products including lithium iron phosphate batteries, gel semi-solid batteries, solid-state batteries, and full-tab structure batteries. The polymer lithium battery business promotes R&D for advanced and competitive products such as drone batteries and low-temperature-rise batteries.

(II) Industry Overview

Alkaline batteries enjoy strong market appeal due to their portability, plug-and-play convenience, adaptability, standardized specifications, comprehensive model range, seamless compatibility with existing electronics, high interchangeability, low self-discharge, and excellent safety. They occupy an irreplaceable niche with broad application prospects.Alkaline batteries maintain dominance in traditional markets like home appliances, electric toys, remote controls, clocks, cameras, and lighting fixtures. Simultaneously, driven by IoT, smart living trends, and rising living standards, they find growing applications in emerging sectors such as compact consumer electronics, home healthcare devices, and smart home products. This convergence fuels sustained growth in alkaline battery demand and overall consumption.According to Fortune Business Insights data, the global alkaline zinc-manganese battery market reached $8.36 billion in 2023 and is projected to grow to $13.70 billion by 2032.

High-rate lithium batteries offer advantages such as high energy density, extended runtime, high output power, rapid charging/discharging, and long cycle life. Primarily used in power tools, handheld vacuum cleaners, and garden tools, they meet product requirements for instantaneous high output power, strong environmental adaptability, and high safety.The global trend toward cordless and portable devices is driving steady growth in demand for high-rate lithium-ion batteries in sectors like home cleaning tools and professional power tools. Concurrently, the advent of the IoT era is fueling new application scenarios—such as the proliferation of drones and smart home products—further boosting demand for high-rate lithium-ion batteries.According to QYResearch data, the global market size for high-rate lithium batteries reached $910 million in 2023 and is projected to grow to $5.74 billion by 2030.

Polymer lithium batteries offer advantages such as high energy density, flexible form factors, and superior safety. They better meet the demands of consumer electronics for lightweight, compact designs, high performance, and safe usage, leading to increasingly widespread adoption in emerging consumer electronics sectors. Current primary applications include smart wearables, smart medical devices, IoT terminals, small digital products, and e-cigarettes.Future growth in emerging sectors like drones, smart home devices, and industrial automation will further expand application scenarios for polymer lithium batteries, diversifying market demand.

(3) Financial Analysis

1. Asset-Liability Structure Analysis

Unit: CNY

Item	End of 2024		End of 2023		Change %
	Amount	Percentage of Total Assets Percentage	Amount	Percentage of Total Assets Percentage %	
Cash and Cash Equivalents	515,735,570.09	11.33%	344,192,765.73	7.69%	49.84%
Notes receivable	10,182,652.20	0.22%	450,212,139.35	10.06%	-97.74%
Accounts Receivable	803,195,142.31	17.64%	703,536,235.52	15.71%	14.17%

Inventories	647,527,583.15	14.22%	607,338,366.09	13.57%	6.62%
Investment property	0.00	0.00%	0.00	0.00%	
Long-term equity investments	35,904,714.56	0.79%	33,716,520.34	0.75%	6.49%
Fixed Assets	1,149,303,561.04	25.24%	1,294,388,790.23	28.91%	-11.21%
Construction in Progress	585,671,932.39	12.86%	382,776,605.23	8.55%	53.01%
Intangible Assets	95,063,624.23	2.09%	63,642,569.81	1.42%	49.37%
Goodwill	98,244,483.70	2.16%	98,244,483.70	2.19%	0.00%
Short-term borrowings	757,243,652.16	16.63%	688,120,991.60	15.37%	10.05%
Long-term borrowings	538,707,649.95	11.83%	430,441,747.78	9.61%	25.15%
Trading Financial Assets	0.00	0.00%	2,056,673.94	0.05%	-100.00%
Derivative Financial Assets	1,024,997.40	0.02%	0.00	0.00%	100.00%
Accounts Receivable Financing	180,093,826.67	3.96%	43,928,343.95	0.98%	309.97%
Other Current Assets	55,105,202.77	1.21%	36,060,901.49	0.81%	52.81%
Deferred income tax assets	27,251,444.82	0.60%	70,344,875.90	1.57%	-61.26%
Other Non-Current Assets	3,469,776.70	0.08%	12,376,994.32	0.28%	-71.97%
Trading Financial Liabilities	0.00	0.00%	282,608.21	0.01%	-100.00%
Derivative Financial Liabilities	4,974,494.13	0.11%	0.00	0.00%	100.00%
Contract liabilities	12,923,783.94	0.28%	53,629,950.22	1.20%	-75.90%
Taxes Payable	15,805,360.93	0.35%	4,955,657.38	0.11%	218.94%
Current non-current liabilities Current liabilities	250,771,125.29	5.51%	471,067,581.92	10.52%	-46.77%
Other Current Liabilities	1,371,060.50	0.03%	6,742,112.65	0.15%	-79.66%
Long-term Payables	6,303,632.51	0.14%	0.00	0.00%	100.00%
Deferred income tax liabilities	25,612,228.06	0.56%	68,503,374.52	1.53%	-62.61%
Other Comprehensive Income	1,712,448.40	0.04%	0.00	0.00%	100.00%
Special Reserve	4,050,815.67	0.09%	6,506,562.48	0.15%	-37.74%
Retained Earnings	328,194,396.34	7.21%	137,758,990.78	3.08%	138.24%
Minority Interests	192,386,839.49	4.23%	102,522,893.05	2.29%	87.65%

Reasons for Significant Changes in Balance Sheet Items:

1. Cash and cash equivalents increased by 49.84% compared to the end of the previous fiscal year, primarily due to improved operating cash flow.
2. Trading financial assets decreased by 100% compared to the end of the previous year, primarily due to the impact of a change in the presentation of the valuation of hedged forward foreign exchange transactions.
3. Derivative financial assets increased by 100% compared to the end of the previous year, primarily due to the impact of a change in the presentation of the valuation of locked-in forward foreign exchange transactions.
4. Notes receivable decreased by 97.74% compared to the end of the previous year, primarily due to the maturity of commercial paper held to maturity, resulting in a reduced balance at the end of the reporting period.
5. Receivables financing increased by 309.97% during the reporting period compared to the end of the previous year, mainly due to an increase in bank acceptance bills received during the current period that had not yet been discounted or endorsed at the end of the period.
6. Other current assets increased by 52.81% compared to the end of the previous year, primarily due to an increase in retained VAT credit.
7. Construction in progress increased by 53.01% compared to the end of the previous fiscal year, primarily due to the ongoing construction of the Changhong Sanjie Phase IV project.
8. Intangible assets increased by 49.37% compared to the end of the previous year, primarily due to the acquisition of land by the overseas subsidiary, Thai Company.

11. Trading financial liabilities decreased by 100% compared to the end of the previous year, primarily due to the impact of a change in the presentation of the valuation of hedged forward foreign exchange transactions.

12. Derivative financial liabilities increased by 100% during the reporting period compared to the end of the previous year, primarily due to the impact of a change in the presentation of the valuation of hedged forward foreign exchange transactions.

13. Contract liabilities decreased by 75.90% compared to the end of the previous year, primarily due to a decrease in advance payments received from customers at the end of the current period.

14. Taxes payable increased by 218.94% compared to the end of the previous year, primarily due to an increase in income tax payable resulting from improved operating conditions.

15. Non-current liabilities due within one year decreased by 46.77% compared to the end of the previous year, primarily due to the repayment of long-term borrowings due within one year during the reporting period.

16. Other current liabilities decreased by 79.66% compared to the end of the previous year, mainly due to a decrease in output tax credits to be reversed during the reporting period.

17. Long-term payables increased by 100% compared to the end of the previous year, primarily due to an increase in finance lease payables during the reporting period.

18. Deferred income tax liabilities decreased by 62.61% compared to the end of the previous year, primarily due to the adjustment of deferred income tax assets and liabilities within the scope of consolidation to be presented on a net basis.

19. Other comprehensive income increased by 100% compared to the end of the previous year, primarily due to foreign currency translation differences in the financial statements of overseas subsidiaries during the reporting period.

20. Special reserves decreased by 37.74% compared to the end of the previous year, primarily due to the actual use of work safety expenses exceeding the amount set aside during the reporting period.

21. Retained earnings increased by 138.24% compared to the end of the previous year, primarily due to the improvement in the Company's profitability during the reporting period.

22. Minority interests at the end of the reporting period increased by 87.65% compared to the end of the previous year, mainly due to the improved profitability of subsidiaries during the reporting period.

High proportion of overseas assets

☐ Applicable √ Not Applicable

2. Operating Analysis

(1) Profit Composition

Unit: RMB

Item	2024		2023		Percentage Change
	Amount	Percentage of Operating Revenue Percentage	Amount	Percentage of Operating Revenue Percentage %	
Operating Revenue	3,671,054,739.31	-	2,796,816,309.58	-	31.26%
Cost of Sales	3,062,017,343.58	83.41%	2,508,948,703.14	89.71%	22.04%
Gross Profit Margin	16.59%	-	10.29%	-	-
Selling Expenses	79,058,876.53	2.15%	90,279,278.62	3.23%	-12.43%
Administrative Expenses	76,748,657.49	2.09%	77,713,392.96	2.78%	-1.24%
Research and Development Expenses	157,520,763.81	4.29%	164,784,164.21	5.89%	-4.41%
Financial Expenses	48,168,557.77	1.31%	63,430,905.54	2.27%	-24.06%
Credit impairment loss	-3,591,602.03	-0.10%	-2,758,713.38	-0.10%	30.19%
Asset Impairment Loss	-30,799,365.19	-0.84%	-366,249,146.48	-13.10%	-91.59%
Other Income	46,197,712.10	1.26%	46,908,484.11	1.68%	-1.52%
Investment Income	3,815,531.40	0.10%	429,277.75	0.02%	788.83%
Fair value changes Gain	-5,417,097.78	-0.15%	-635,696.86	-0.02%	-752.15%
Gain on asset disposal	77,087.77	0.00%	10,621.68	0.00%	625.76%
Foreign Exchange Gains	-	0.00%	-	0.00%	-
Operating Profit	246,170,956.73	6.71%	-438,933,006.64	-15.69%	156.08%

Reasons for Significant Changes in Items:

1. Revenue increased by 31.26% year-on-year during the reporting period, primarily due to the Company's proactive market expansion efforts combined with the recovery of the lithium battery market, resulting in increased shipment orders.

2. Credit impairment losses increased by 30.19% year-on-year during the reporting period, primarily due to the impact of provisioning for specific impairment losses on accounts receivable.

3. Asset impairment losses decreased by 91.59% year-on-year, primarily due to stabilizing raw material prices, enhanced inventory management, reduced inventory levels, and lower inventory impairment provisions. Additionally, Changhong Sanjie, a subsidiary, underperformed expectations during the same period last year, resulting in a goodwill impairment loss of RMB 106 million from its acquisition. However, goodwill was assessed as not impaired during the current reporting period.

4. Investment income increased by 788.83% year-on-year, primarily due to increased profits from associates and higher investment income from the expiration of forward foreign exchange contracts.

5. Fair value gains decreased by 752.15% year-on-year, primarily due to the impact of the valuation of locked-in forward foreign exchange transactions.

6. Gains on asset disposals increased by 625.76% year-on-year, mainly due to the termination of certain lease contracts and the disposal of fixed assets.

7. Operating profit increased by 156.08% year-on-year, primarily due to higher revenue and profit from the alkaline manganese battery business, coupled with the gradual recovery of the lithium battery business, which saw a significant year-on-year increase in sales volume and improved profitability.

8. Non-operating expenses decreased by 46.47% year-on-year, primarily due to reductions in items such as losses from disposal of fixed assets during the current year.

9. Net profit for the reporting period increased by 155.50% year-on-year. This was mainly due to the company's active market expansion and strengthened internal management, steady growth in revenue and profit from the alkaline manganese battery business, and the recovery of the lithium battery industry, which significantly improved profitability and achieved a turnaround from loss to profit compared with the same period last year.

(2) Revenue Composition

Unit: RMB

Item	2024	2023	Change %
Main Business Revenue	3,623,255,295.53	2,757,858,636.98	31.38%
Other operating income	47,799,443.78	38,957,672.60	22.70%
Cost of Main Business Operations	3,060,771,133.63	2,508,037,259.45	22.04%
Other operating costs	1,246,209.95	911,443.69	36.73%

Analysis by Product Category:

Unit: CNY

By Product	Operating Revenue	Cost of Sales	Gross Profit Margin %	Operating Revenue vs. Same Period Last Year Change %	Operating Costs Compared to Same Period Last Year Change %	Gross Profit Margin Compared to Same Period Last Year Change
Alkali Power	1,668,432,048.16	1,327,055,707.49	20.46%	20.53%	23.51%	-1.92%
Carbon Electricity	18,369,782.24	14,972,463.71	18.49%	-23.69%	-25.47%	1.95%
High-rate lithium batteries	1,639,182,429.81	1,467,960,797.75	10.45%	46.69%	20.39%	19.56%
Polymer Lithium-ion Battery	287,454,515.93	244,090,251.08	15.09%	39.13%	37.17%	1.21%
Other	57,615,963.17	7,938,123.55	86.22%	-10.51%	-53.81%	12.91%
Total	3,671,054,739.31	3,062,017,343.58	-	-	-	-

Analysis by Region:

Unit: CNY

By Region	Operating Revenue	Cost of Sales	Gross Profit Margin %	Operating Revenue Compared to Same Period Last Year Year-on-Year	Operating Costs Compared to Same Period Last Year Year-on-Year	Gross Profit Margin Change Compared to Same Period Last Year

				Change %	Change %	
Domestic	2,612,208,068.97	2,222,094,394.13	14.93%	31.04%	16.63%	10.51%
Overseas	1,058,846,670.34	839,922,949.45	20.68%	31.80%	39.11%	-4.17%
Total	3,671,054,739.31	3,062,017,343.58	-	-	-	-

Reasons for changes in revenue composition:

During the reporting period, revenue from high-rate lithium batteries and polymer lithium-ion batteries within the product classification saw significant year-over-year growth. This was primarily driven by the lithium battery business, where demand gradually recovered as downstream clients completed destocking. The company intensified market expansion efforts, securing new domestic and international clients, resulting in substantial revenue growth compared to the same period last year.

(3) Major Clients

Unit: RMB

No. No.	Client	Sales Amount	Annual Sales as a Percentage of %	Related Party Transaction Relationship
1	Hangzhou Nengpai Battery Co., Ltd.	523,645,586.29	14.26%	Yes
2	Energizer and its affiliates	310,988,232.00	8.47%	No
3	Ningbo Nanpu Electromechanical Co., Ltd.	166,548,607.07	4.54%	No
4	TOSHIBA HOME APPLIANCES CORPORATION	105,894,656.83	2.88%	No
5	Shenzhen Feishi Battery Co., Ltd.	104,000,166.92	2.83%	Yes
Total		1,211,077,249.11	32.99%	-

(4) Major Suppliers

Unit: CNY

No.	Supplier	Purchase Amount	Annual Procurement Share of Annual Procurement	Related Party Status
1	BTR (Jiangsu) New Materials Technology Co., Ltd.	259,476,054.11	9.44%	No
2	Xiangtan Electrochemical Technology Co., Ltd.	180,364,795.76	6.56%	No
3	Anhui Tianli Lithium Energy Co., Ltd.	123,307,891.76	4.49%	No
4	Sichuan Taihong Technology Co., Ltd.	116,143,554.93	4.23%	Yes
5	Guangxi Jingxi Yizhou Manganese Industry Co., Ltd.	104,903,806.29	3.82%	No
Total		784,196,102.85	28.54%	-

3. Cash Flow Status

Unit: CNY

Item	2024	2023	Percentage Change
Net Cash Flow from Operating Activities	353,609,120.97	-36,601,738.42	1,066.10%
Net Cash Flow from Investing Activities	-158,504,701.47	-253,006,500.76	37.35%
Net cash flow from financing activities	-71,977,267.65	379,631,956.40	-118.96%

Cash Flow Analysis:

1. Net cash flow from operating activities increased by RMB 390.2109 million year-on-year. This was primarily due to fluctuations in procurement and sales scale for the lithium battery business, payment terms, and the Company's continued strengthening of working capital management during the reporting period, which collectively contributed to an increase in net cash inflow from operating activities.

2. Net cash flow from investing activities increased by RMB 94.50 million year-on-year, primarily due to the acquisition of Shenzhen Juheyuan during the same period last year.

3. Net cash flow from financing activities decreased by RMB 451.6092 million year-on-year, primarily due to increased cash payments for debt repayment during the current year.

(IV) Investment Status Analysis

1. Overall Situation

√ Applicable ☐ Not

Unit: Yuan

Investment Amount for Reporting Period	Investment Amount in the Same Period of the Previous Year	Percentage Change
0	50,000,000	-

2. Significant equity investments acquired during the reporting period

☐ Applicable √ Not Applicable

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

☐ Applicable √ Not applicable

Unit: Yuan

Category of Financial Assets	Initial Investment Cost	Funding Source	Purchase Amount for Current Period	Amount Sold During Current Period	Investment Income for the Reporting Period	Fair value change gain/loss for the period	Cumulative Fair Value Changes Recognized in Equity
Trading Financial Assets / Derivative Financial Assets	2,056,673.94	Own funds	1,024,997.40	2,056,673.94	1,102,337.18	-5,723,562.46	0
Assets		Funds					
Other Non-Current Financial Assets	17,333,333.00	Own funds	0.00	0.00	0.00	306,464.68	0
		Capital					
Total	19,390,006.94	-	1,024,997.40	2,056,673.94	1,102,337.18	-5,417,097.78	0

5. Investment in Wealth Management Products

☐ Applicable √ Not Applicable

6. Entrusted Loans

☐ Applicable √ Not Applicable

7. Analysis of Major Controlled and Participating Companies

√ Applicable □ Not Applicable

(1) Major Controlled Subsidiaries and Participating Companies with Over 10% Impact on Net Profit

Unit: RMB

Company Name	Company Type	Primary Business	Registered Capital	Total Assets	Net Assets	Revenue from Main Business	Profit from Main Business	Net Profit
Zhejiang Changhong Feishi Electrical Industrial Co., Ltd.	Holding Subsidiary	Research, development, production, and sales of alkaline manganese eco-friendly batteries Business	76,428,939.76	678,179,013.05	377,808,923.68	657,302,229.85	89,957,822.27	46,319,078.92
Changhong San Jie Xinneng Source Co., Ltd.	Holding Subsidiary	Research, development, production, and sales of lithium batteries Business	69,817,110.00	2,690,666,041.34	49,592,681.21	1,658,518,517.60	170,568,901.21	46,803,112.35
Shenzhen Changhong Juhe Yuanke Technology Co., Ltd.	Subsidiary	Research, development, manufacturing, and sales of emerging consumer-grade batteries and battery packs.	84,141,120.00	335,579,468.65	129,943,973.21	287,644,172.93	48,868,862.83	14,024,913.69

(2) Statement on Major Controlled and Participating Companies Business Analysis of Major Participating Companies

√ Applicable ☐ Not Applicable

Company Name	Relevance to the Company's Business	Purpose of Holding
Sichuan Sanglide Precision Parts Manufacturing Co., Ltd.	Supplies steel casings, sealing rings, and other alkali battery production components to the company	Strengthen strategic cooperation, ensure stable supply of raw materials and reduce procurement costs.

Significant year-on-year fluctuations in operating performance of subsidiaries or equity-method investees

√ Applicable ☐ Not applicable

During the reporting period, the net profit of Changhong Sanjie, a subsidiary controlled by the company, increased by 110.16% year-on-year. The primary reasons are: The cylindrical high-rate lithium battery business further optimized its organizational structure and operational mechanisms through the continuous advancement of the "Foundation Strengthening Initiative," comprehensively enhancing the synergy between production, supply, and sales.Adhering to technology innovation as the driving force, the company achieved continuous transformation of technological achievements. Significant progress was made in major customer product development, high-energy product development, cost-reduction cell design, and performance enhancement. These efforts contributed to increased order volume, substantially improved profitability, and a turnaround from loss to profit compared to the same period last year.

(3) Acquisitions and Dispositions of Subsidiaries During the Reporting Period

√ Applicable ☐ Not Applicable

Company Name	Method of Acquisition/Disposal of Subsidiary During the Reporting Period	Impact on the Company's Overall Production, Operations, and Performance
Changhong New Energy (Thailand) Co., Ltd.	The Company increased its capital contribution to Changhong Feishi by RMB 105.255 million (other minority shareholders of Changhong Feishi contributed proportionally, totaling RMB 150 million), with Changhong Feishi subsequently investing in a factory construction project in Thailand. On July 4, 2024, Changhong New Energy (Thailand) Co., Ltd. was legally established, with Changhong Feishi Lion holds 99.9995% of the company's shares.	The establishment of this Thai subsidiary will effectively stabilize existing major overseas clients while facilitating future client development and market expansion, ensuring sustained growth in the company's alkaline battery market share, production volume, and sales.

(4) Status of Structured Entities Controlled by the Company

☐ Applicable √ Not Applicable

(V) Tax Preferential Treatment

√ Applicable ☐ Not Applicable

1. Pursuant to Article 28 of the Enterprise Income Tax Law of the People's Republic of China, high-tech enterprises requiring key state support shall be subject to a reduced enterprise income tax rate of 15%.

(1) The Company successfully renewed its high-tech enterprise certification in October 2023, with certificate number GR202351000301. Validity period: October 16, 2023 to October 16, 2026. The Company's 2024 income tax was calculated and paid at a 15% rate.

(2) Changhong Feishi passed the high-tech enterprise re-certification in December 2023, with certificate number GR202333006724, valid from from December 8, 2023, to December 8, 2026. Changhong Feishi's 2024 income tax is subject to a 15% tax rate.

(3) Changhong Sanjie passed the high-tech enterprise re-certification in December 2023, with certificate number GR202332017488, valid from December 13, 2023, to December 13, 2026. Changhong Sanjie's 2024 income tax is subject to a 15% tax rate.

(4) Shenzhen Juheyuan was re-certified as a High-Tech Enterprise in December 2023, with certificate number GR202344207296. Validity Period: December 12, 2023 to December 12, 2026. Shenzhen Juheyuan's 2024 income tax is subject to a 15% tax rate.

(5) Hunan Juheyuan obtained its high-tech enterprise certification in October 2023, with certificate number GR202343003872. The validity period is October 16, 2023 to October 16, 2026. Hunan Juheyuan's 2024 income tax is subject to a 15% tax rate.

2. Western Development Strategy

Pursuant to the Notice on Tax Policies Concerning the In-depth Implementation of the Western Development Strategy issued by the Ministry of Finance, General Administration of Customs, and State Taxation Administration (Cai Shui [2011] No. 58) the State Taxation Administration's Announcement on Corporate Income Tax Issues Concerning the In-depth Implementation of the Western Development Strategy (State Taxation Administration Announcement No. 12 of 2012) and the State Taxation Administration's Announcement on Corporate Income Tax Issues Concerning the Implementation of the Catalogue of Encouraged Industries in Western Regions Enterprise Income Tax Issues" (State Taxation Administration Announcement No. 14 [2015]) and the relevant provisions of the "Announcement of the Ministry of Finance, State Taxation Administration, and National Development and Reform Commission on Continuing Announcement on Corporate Income Tax Policies for the Western Development Strategy" (Ministry of Finance Announcement No. 23 [2020]), Changhong Jiechuang enjoys corporate income tax preferential policies under the Western Development Strategy and shall pay corporate income tax at a rate of 15% in 2024.

(VI) Research and Development Activities

1. R&D Expenditure:

Unit: RMB

Project	Current Period Amount/Ratio	Previous Period Amount/Percentage
R&D Expenditure Amount	157,520,763.81	164,784,164.21
R&D Expenditure as a Percentage of Operating Revenue	4.29%	5.89%
Amount of R&D expenditures capitalized	0.00	0.00
R&D expenditure capitalized as a percentage of total R&D expenditure	0.00%	0.00%
R&D expenditures capitalized as a percentage of net profit for the period	0.00%	0.00%

Reason for significant change in R&D expenditure as a percentage of operating revenue compared to the previous year

☐ Applicable √ Not applicable

Changes in R&D capitalization rate and explanation of its reasonableness

☐ Applicable √ Not applicable

2. R&D Personnel Profile:

Education Level	Number at Beginning of Period	Number at End of Period
Ph.D.	1	0
Master's	11	16
Bachelor's Degree	126	160
Associate degree and below	309	243
Total R&D Personnel	447	419
R&D Personnel as a Percentage of Total Workforce (%)	16.53%	16.46%

3. Patent Status:

Project	Current Period Quantity	Previous Period Quantity
Number of Patents Owned by the Company	293	242
Number of invention patents owned by the company	40	26

4. R&D Project Status:

√ Applicable ☐ Not Applicable

R&D Project Name	Project Purpose	Current Stage/ Project Progress	Target Outcomes	Expected Impact on Future Company Development
Research on Novel Electrolytes for Alkaline Manganese Batteries and Applications	Reduce process complexity, enhance production efficiency, Conserve resources	Mass production achieved	Enhancing the long-term storage performance of alkaline manganese batteries, achieving technological upgrades in manufacturing processes technological advancement	Contributes to enhanced battery safety performance, ensuring stable product quality for the company
LR14 (D9+) product Development	Enhancing the comprehensive discharge performance of LR14 batteries Comprehensive discharge performance	Mass production achieved	Achieved Significant Product Performance Enhancement	Significant product performance improvements, contributing to the company's the company to further expand its market

Research and Application of New Conductive Agents in Alkaline Manganese Batteries Research and Application in Alkaline Manganese Batteries	Resolving issues of high internal resistance and insufficient discharge capacity in alkaline manganese batteries in alkaline manganese batteries	Mass production achieved	Enhances battery discharge performance and long-term storage capability	Contributes to enhanced product performance and stable quality

Development of LR03 High-Power Development	Enhances high-current discharge capability of LR03 batteries Capacity	Mass production achieved	Achieved Product Performance Enhancement	Enhancing battery performance to expand applications across broader scenarios
Research on novel silicon-based materials with high initial efficiency and high capacity, and their application in lithium batteries Platform Development	Platform development	Summary Phase	As a foundational research initiative, the development outcomes will guide the company's R&D efforts for multiple high-capacity battery models and material selection	Accelerate the company's technological accumulation, establish a solid technical foundation, expedite new product development, and enhance the company's competitiveness in the battery market
18650-2500 R&D of Long-Cycle Lithium-Ion Batteries with 30A Discharge	Cost Optimization	Summary Phase	Developed a 2.5Ah high-rate long-cycle battery meeting corporate test specifications	While maintaining cost competitiveness, the battery balances safety, reliability, extended lifespan, and high discharge rate requirements. Primarily targeting customer applications within their specific industry, it aims to achieve higher market share. market share
18650-2000 Long High-cycle, high-safety lithium-ion battery R&D	Cost optimization	Summary Phase	Developed a 2.0Ah low-cost long-cycle battery that balances safety and reliability	This further meets customer needs by providing batteries with extended cycle life and enhanced safety, while also boosting the company's market share and opening new market opportunities
21700-4000 High Safety-Enhanced Silicon Oxide System Lithium-ion Battery R&D	Cost Optimization	Summary Phase	Developed a 21700-4.0Ah high-safety, low-cost battery with performance meeting the company's testing specifications	Focused on enhancing battery safety, energy density, and cycle life, driving technological innovation, improving production efficiency, and reducing costs
18650-3000 Low R&D of high-power lithium-ion batteries with low temperature rise	Performance improvement	Summary Phase	Developed a 3.0Ah low-temperature-rise battery that meets corporate testing specifications, with discharge temperature rise outperforming industry competitors of the same model. Products	Enhanced the company's R&D capabilities for low-temperature-rise batteries, meeting the current market demand for high-rate batteries with low temperature rise in the power tool sector, and strengthening the competitiveness of the company's high-rate lithium-ion battery products.
18650-3200 High High-Capacity, High-Rate Lithium-Ion Battery Development	Development of high-energy lithium-ion batteries	Development Phase	Develop a 3.2Ah lithium-ion battery with high specific capacity, supporting 15A discharge, ACIR ≤ 15mΩ, and 500 cycles at 4A/15A ≥60%	Enhance the capacity ceiling of the company's 18-series products, boost product competitiveness, and provide product support for expanding into markets such as power banks and two-wheeled vehicles
18650-3500 High Development of High-Energy Medium-Rate Lithium-Ion Batteries	High-energy lithium-ion battery development	Development Phase	Developed a 3.5Ah high-capacity battery supporting 3.5A/10A long cycles, 3.5A/10A cycles 600 cycles at ≥60% capacity retention	Enhanced the competitiveness of the company's lithium-ion power batteries in the market, thereby entering the supply chain of international or domestic power tool giants

21700-5500 High High-Energy Long-Cycle Lithium-Ion Battery R&D	High-energy lithium-ion battery development	Development stage	Developed a 21700-5.5Ah lithium-ion battery supporting 20A discharge and 1C charging, capable of withstanding 800 cycles long cycle life	Enhanced capacity of the company's 21 series products Maximum, expand the product portfolio of the company's 21-series products to enhance competitiveness in the power tool market

21700-4000 Full Development of high-energy lithium-ion batteries with tab-type fast-charging technology	Development of new-structure high-energy lithium-ion batteries	Development Phase	Developed a 21700-4.0Ah full-tab structure battery with ACIR ≤ 4mΩ, significantly lower than conventional cylindrical batteries' internal resistance, supporting 60A discharge and full 8A-40A long cycle performance	Traditional 18 and 21 series small cylindrical batteries used in power tools and two-wheeled electric vehicles are gradually transitioning to full-tab designs. The successful implementation of this project signifies the company's strategic expansion into product diversification, broadening its business portfolio.
21700-5000 Full Tab High Energy Density Lithium-ion Battery Development	Development of New Structure High-Energy Lithium-Ion Batteries	Development Phase	Developed a 21700-5.0Ah full-tab structure battery with ACIR ≤ 5mΩ, capable of 50A discharge	The successful implementation of this project signifies the company's strategic expansion into product diversification, broadening its business portfolio
IFR26700-4500 High-Safety Overcharge-Protected Lithium-Ion Battery R&D	Development of lithium iron phosphate material systems	Summary Phase	Developed a high-safety 26700-4.5Ah LFP battery with a single-cell 3C/10V overcharge resistance or explosion	The successful implementation of this project signifies the company's strategic positioning in the $LiFePO_4$ sector, providing product support for its entry into the $LiFePO_4$ energy storage field
IFR26700-5000 high-capacity lithium-ion battery for outdoor energy storage	Development of Lithium Iron Phosphate Material Systems	Summary Phase	Developed a high-capacity 26700-5.0Ah lithium iron phosphate Lithium Iron Phosphate Battery Supporting 10A Discharge, 0.5C/2C Cycling 1000 Times ≥80%	The outdoor energy storage battery market holds vast market potential and development prospects. The successful implementation of this project signifies the company's strategic positioning in the $LiFePO_4$ sector, providing a solid foundation for its entry into the $LiFePO_4$ energy storage field. 4.53V high-voltage cobalt acid lithium-ion battery research
Research and development of 4.53V high-voltage cobalt acid lithium lithium-ion batteries Further Enhancing the Energy Density of Lithium-ion Batteries	Further enhancing the energy density of lithium-ion batteries	Summary Phase	1. Cycle Performance: Capacity retention ≥80% after 500 cycles at 0.5C. 2. Other Performance: Complies with national standards	This represents cutting-edge technological development, enabling us to catch up with and benchmark against leading industry peers, narrowing the sector gap. Mass production can be achieved within the next 1-2 years. 4. Research on 4.5V high-voltage lithium cobalt oxide lithium-ion batteries
Research and development of 4.5V high-voltage lithium cobalt oxide lithium-ion batteries Development	Enhancing the energy density of lithium-ion batteries	Summary Phase	1. Cycle performance: 500 cycles at 0.5C, capacity retention ≥80%. 2. Other Performance: Complies with national standards	Classified as a technology reserve category, aiming to catch up with and benchmark leading industry peers to narrow the technological gap. Mass production feasible within the next year.
Research on novel silicon-based materials with high initial efficiency and high capacity, and their application in 4.45V lithium-ion battery applications Development	Enhancing the Energy Density of Lithium-Ion Batteries	Mass Production Phase	1. Cycle Performance: 500 cycles at 1.0C, capacity retention ≥80%, thickness expansion ≤10%. 2. Other Performance: Compliant with national standards	Expanding technological reserves and enhancing technical competitiveness will help the company further expand its market presence
Semi-Solid-State Battery R&D	Enhancing Battery Safety Performance	Pilot Production Phase	Cycle Performance: 500 cycles at 0.5C, capacity retention ≥80%, thickness expansion ≤8%. ≤8%	Expanding technical reserves and enhancing technological competitiveness to further expand market opportunities

Research and development of 300Wh/kg square drone batteries	Development of new battery structures; expanding the company's product portfolio	Summary Phase	1. Cycle performance: 500 cycles at 2.0C charge/3.0C discharge, capacity retention rate ≥80% ≥80% 2. Cell	Expanding the company's product portfolio enhances competitiveness and facilitates further market expansion

			Weight and energy density meet customer standards	

5. Status of collaborative R&D projects with other entities:

√ Applicable ☐ Not applicable

Collaborating entity	Collaborative Project	Main Content of Cooperation Agreement
Nanjing Tech University	Process Optimization for Novel Electrolyte Preparation in Lithium-ion Batteries Process Optimization	Optimize the production process for novel electrolytes, reduce electrolyte manufacturing costs, lower battery BOM costs, and enhance battery electrical performance and safety.
Jiangsu Ocean University	Research on Preparation and Testing Technology for Portable Batteries Research	This project falls within the field of battery energy storage technology, aiming to design a product that balances high capacity with compact size. The product is intended for use in portable electronic devices and smart wearable devices. wearable devices.

(VII) Audit Findings

1. Explanation of Non-Standard Audit Opinions:

☐ Applicable √ Not Applicable

2. Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the current period. These matters are addressed in the context of our overall audit of the financial statements and the formation of our audit opinion. We do not express a separate opinion on these matters.

(1) Revenue Recognition

1. Description of Matter

For related disclosures, refer to Notes 3(22) and 5(2)1 to the financial statements.

Changhong Energy's operating revenue primarily derives from the research, development, production, and sale of alkaline zinc-manganese batteries and lithium-ion batteries. In 2024, Changhong Energy's operating revenue totaled RMB 3.671 billion, of which:while the lithium-ion battery business generated revenue of RMB 1.639 billion, accounting for 44.65% of total revenue. As revenue is one of Changhong Energy's key performance indicators, there exists inherent risk that management may improperly recognize revenue to achieve specific targets or expectations. Therefore, we have identified revenue recognition as a key audit matter.

inappropriate revenue recognition to achieve specific objectives or expectations. Therefore, we have identified revenue recognition as a key audit matter.

2. Audit Response

Regarding revenue recognition, the audit procedures we performed primarily included:

⑴ Understanding key internal controls related to revenue recognition, evaluating the design of these controls, determining whether they are implemented, and testing the operating effectiveness of relevant internal controls;

⑵ Reviewing sales contracts to understand key terms or conditions and evaluating the appropriateness of the revenue recognition method;

⑶ Implement analysis procedures for operating revenue and gross profit margin by month, product, and customer to identify any significant or abnormal fluctuations and determine their causes;

⑷ For domestic sales revenue, select items for inspection of supporting documentation, including sales contracts, purchase orders, sales invoices, goods issue slips, and customer delivery receipts; for export revenue, obtain electronic port information and reconcile it with accounting records, then select items for inspection of supporting documentation, including sales contracts, export customs declarations, and sales invoices;

⑸ In conjunction with accounts receivable confirmation, select items for confirmation of sales amounts;

⑹ Perform cut-off tests to verify whether revenue is recognized in the appropriate period;

⑺ Verify that information related to operating revenue is appropriately presented in the financial statements.

(2) Inventory Impairment

1. Description of Matters

For related disclosures, refer to Notes 3(12) and 5(1)9 to the financial statements.

As of December 31, 2024, Changhong Energy Company's inventory book balance was RMB 678.1944 million, with an impairment allowance of RMB 30.6668 million and a carrying amount of RMB 647.5276 million.

RMB 30.6668 million, with a carrying value of RMB 647.5276 million.

Inventories are measured at the lower of cost and net realizable value. Management determines net realizable value as the estimated selling price less estimated costs to complete, estimated selling expenses, and related taxes. Due to the materiality of inventory amounts and the significant management judgment involved in determining net realizable value, we have identified the determination of net realizable value for inventories as a key audit matter.

2. Audit Response

Regarding the net realizable value of inventories, our audit procedures primarily included:

(1) Understanding key internal controls related to net realizable value of inventory, evaluating the design of these controls, determining whether they are implemented, and testing the operating effectiveness of relevant internal controls;

(2) Reviewing management's prior-year estimates of net realizable value or subsequent re-estimates made by management;

(3) Selecting items to evaluate the reasonableness of estimated selling prices, and reviewing whether estimated selling prices are consistent with market selling prices, historical data, etc.;

(4) Evaluating the reasonableness of management's estimates of costs, selling expenses, and related taxes that will be incurred until completion of the inventory;

(5) Test the accuracy of management's calculation of net realizable value for inventory;

(6) In conjunction with physical inventory counts, identify whether there are instances of unsold inventory or unidentified defective products, and evaluate the reasonableness of management's estimates of the net realizable value of inventory;

(7) Verify that information related to net realizable value of inventory is appropriately disclosed in the financial statements.

3. Regarding the evaluation of the accounting firm's performance and the fulfillment of supervisory responsibilities:

(1) Assessment of the accounting firm's performance:

Following the company's evaluation and review, Tianjin Certified Public Accountants LLP (Special General Partnership) is deemed to possess the independence required to perform the audit work, holds the necessary qualifications for securities and futures-related audit engagements, and is capable of meeting the requirements of the audit work.During the audit of the Company's 2024 annual report, Tianjin upheld the principle of independent auditing, objectively, fairly, and impartially reflecting the Company's financial position and operating results. It effectively fulfilled the duties expected of an audit institution, demonstrating sufficient professional competence, investor protection capabilities, and independence. There were no actions detrimental to the Company's overall interests or the rights of minority shareholders. The audit process was conducted in a standardized and orderly manner, and the audit report issued was objective, complete, clear, and timely.

(2) Regarding the Board of Directors' Audit Committee's Supervision of the Accounting Firm:

The Audit Committee of the Company's Board of Directors strictly adhered to the relevant regulations of the China Securities Regulatory Commission and the Beijing Stock Exchange, as well as the requirements of the Company's Articles of Association and the Rules of Procedure for the Audit Committee of the Board of Directorsthe Company's Articlesof Association and the Rules of Procedure for the Board Audit Committee. It fully leveraged the role of the specialized committee to review the accounting firm's relevant qualifications and professional capabilities. During the annual report audit period, the committee engaged in thorough discussions and communication with the accounting firm, urging it to issue the audit report in a timely, accurate, objective, and impartial manner. The Audit Committee has effectively fulfilled its oversight responsibilities over the accounting firm.

The Board Audit Committee believes that:During its provision of audit services to the Company, Tianjin Certified Public Accountants LLP (Special General Partnership) strictly adhered to the "Chinese Auditing Standards for Certified Public Accountants" and other regulations. It performed its duties diligently and conscientiously, adhering to the professional principles of independence, objectivity, and impartiality. The firm conscientiously fulfilled its audit responsibilities, completed the Company's 2024 annual audit work on schedule, conducted its audit activities in a standardized and orderly manner, and issued an audit report that was objective, complete, clear, and timely.

(8) Changes in the Scope of Consolidated Financial Statements

√ Applicable □ Not Applicable

The scope of the Company's consolidated financial statements for the reporting period includes Zhejiang Changhong Feishi Electrical Appliance Industry Co., Ltd., Changhong New Energy (Thailand) Co., Ltd.

Company, Changhong Sanjie New Energy Co., Ltd., Sichuan Changhong Jiechuang Lithium Battery Technology Co., Ltd., Changhong Sanjie New Energy (Suzhou) Co., Ltd., Shenzhen Changhong Juheyuan Technology Co., Ltd., and Hunan Changhong Juheyuan Technology Co., Ltd. Compared to the previous year, Changhong New Energy (Thailand) Co., Ltd. was added to the scope of consolidated financial statements this year.

(IX) Corporate Social Responsibility

1. Consolidation of Poverty Alleviation Achievements and Implementation of Rural Revitalization Social Responsibility

☐ Applicable √ Not Applicable

2. Other Social Responsibility Performance

√ Applicable ☐ Not Applicable

During the reporting period, the company actively assumed social responsibilities, diligently carried out socially beneficial work, and conscientiously fulfilled its social duties. It remained accountable to both employees and shareholders, consistently prioritizing social responsibility in corporate development. The company actively embraced social responsibilities and shared the fruits of its growth with society.

(1) Focus on Safeguarding Employees' Legitimate Rights and Interests

The company has entered into labor contracts or employment agreements with all employees, established independent labor records and social insurance accounts, and provided various labor protection measures in accordance with the law. It continuously upgrades equipment and implements automation and unmanned transformation to improve the working environment and reduce labor intensity. Additionally, the company provides shuttle buses for commuting, offers free meals, enhances humanistic care for employees, provides necessary assistance to employees in need, and actively addresses reasonable employee requests.

(2) Operating with Integrity and in Compliance with Laws

The company operates with integrity, complies with tax regulations, and upholds a business philosophy of mutual trust and shared success. It provides consumers with qualified and safe products while steadfastly protecting consumer rights. The company is committed to building close partnerships with suppliers based on equality, cooperation, and mutual benefit. It places high importance on workplace safety, adhering to the principle of "safety first, prevention foremost" through modern safety management systems to ensure secure production. The company maintains a strong focus on environmental protection and carbon emissions, strictly complying with national laws and regulations while pursuing green production practices.

(3) Actively Fulfilling Social Responsibility

In July 2024, when a severe breach occurred at Dongting Lake in Yueyang, Hunan Province, the company's subsidiary, Hunan Changhong Juheyuan Technology Co., Ltd., actively fulfilled its social responsibilities by donating essential supplies to the disaster-stricken areas.

3. Environmental Protection Relevance

√ Applicable ☐ Not Applicable

During the reporting period, the company strictly complied with national environmental laws and regulations, diligently fulfilled its environmental protection responsibilities, and implemented management of significant environmental factors based on the GB/T24001-2016/ISO14001:2015 Environmental Management System standard. This ensured the normal operation of pollution control equipment and facilities across all sites, with no environmental pollution incidents occurring.The company commissioned a third-party environmental monitoring agency to conduct monitoring of production wastewater, exhaust gases, and boundary noise. Monitoring results indicate effective pollutant treatment, with emissions meeting all applicable standards.

Leveraging its strong performance in energy conservation, consumption reduction, and green manufacturing, the company achieved national-level green factory certification in 2024.

(X) During the reporting period, the company did not generate profits or incurred accumulated unrecovered losses.

☐ Applicable √ Not Applicable

III. Future Outlook

(1) Industry Development Trends

1. Alkaline Battery Industry Development Trends

With the development of the Internet of Things, smart living, and rising living standards, alkaline batteries find extensive applications in emerging small consumer electronics, home healthcare devices, and smart home appliances. This has driven sustained growth in demand and consumption scale for alkaline batteries.Simultaneously, intensifying market competition will further highlight the competitive advantages of enterprises possessing stable customer channels, robust technological innovation capabilities, and intelligent, large-scale production capacities. Industry consolidation through natural selection and mergers will accelerate, concentrating the alkaline battery market among a few dominant players and elevating market concentration.Alkaline battery technology continues to undergo iterative upgrades, with products evolving toward higher capacity, longer lifespan, and differentiated performance. Manufacturers are advancing R&D through refined cell formulations and novel materials to enhance energy density and discharge stability. Concurrently, stricter global environmental regulations will drive the industry toward paperless packaging, recyclability, and greener solutions. High efficiency and harmlessness will become the dominant trends shaping the alkaline battery sector.

2. Lithium-ion Battery Industry Trends

With the accelerated advancement of global digitalization and intelligentization, traditional application markets such as consumer electronics, IoT terminals, power tools, and energy storage are experiencing stable growth. According to iFinD data, the consumer electronics market is projected to reach $1,176.7 billion by 2028.According to EVTank projections, lithium-ion battery shipments for power tools will reach 4.4 billion units in 2025, while shipments for cleaning tools will hit 1.25 billion units.

Batteries for backup power units (BBUs) will reach 700-800 million units. The smart mobility and electric motorcycle markets will also experience significant growth, with downstream applications driving the lithium battery industry's vigorous development. Concurrently, the rapid expansion of emerging fields like AI, low-altitude economy, and robotics demands lithium-ion batteries with higher energy density, faster charging rates, and enhanced safety performance. This is propelling battery technology and equipment development away from traditional winding toward innovations such as center-positioned tabs, multi-tab configurations, full-tab designs, and laminated structures.

(II) Corporate Development Strategy

Guided by the mission of ''Precision Engineering, Technological Innovation, and Human Welfare," the company is committed to becoming a world-class new energy enterprise. Centering on the strategic objectives of "Strengthening Alkaline Batteries, Expanding Lithium Batteries, and Innovating Specialty Batteries," the company adheres to a development strategy that combines optimizing existing businesses with expanding new ventures.Actively optimizing existing operations involves refining domestic and international layouts, advancing intelligent transformation and digitalization, enhancing operational efficiency, and continuously improving product competitiveness in pricing, quality, and technology. This builds manufacturing, cost, and efficiency advantages to solidify the foundation for growth. Steadily expanding new growth areas entails actively seeking high-quality specialty battery targets, integrating superior resources, leveraging synergies, and creating new growth engines.

(3) Business Plan or Objectives

In 2025, the company will resolutely implement the business principle of ''Survival through Quality, Market Capture through Innovation, Development through Openness.'' We will continuously enhance the price competitiveness, quality competitiveness, and technological competitiveness of our products. We will persistently build manufacturing advantages, cost advantages, and efficiency advantages to stand firm in adversity and break through challenges, striving to achieve our annual goals. The specific work plan is as follows:

1. Deeply Implement the Grand Marketing Concept to Expand Markets and Scale

The company will thoroughly implement the comprehensive marketing philosophy, accelerate business integration, and build a full-series ecosystem encompassing alkali batteries, high-rate lithium batteries, and polymer lithium batteries. By leveraging existing market resources, strengthening synergies, fully utilizing production capacity, and expanding sales scale, we will achieve growth.

2. Deepening System Efficiency and Cost Reduction to Expand Profit Margins

The company continues to deepen systematic efficiency enhancement and cost reduction efforts. Guided by the '' '' (''Extreme Efficiency, Extreme Cost'') objectives, we will focus on all aspects of the '' '' (''Man, Machinery, Materials, Methods, Environment, Measurement'') framework. This includes driving the implementation of measures to boost efficiency, reduce costs, minimize waste, and lower expenses. We will strengthen post-action reviews and summaries, solidify and consolidate experience, and continuously improve the long-term mechanisms for enhancing profit margins, thereby effectively boosting product price competitiveness.

3. Advancing Intelligent Transformation and Digitalization to Enhance Equipment Capabilities and Strengthen Manufacturing Foundations

The company will leverage the advancement of intelligent transformation and digital transition as an opportunity to accelerate the intelligent, digital, and networked evolution of production processes. This will achieve automated and refined control of production workflows, enhance production efficiency and product quality, and strengthen market competitiveness. By implementing the principle of "process first, then we will drive the application of digital technologies across the entire manufacturing system.

4. Upholding innovation-led development with technology as the cornerstone and product leadership as the guide

The company remains committed to the strategy of "Technology as King, Product Leadership". Following the R&D path of "Produce one generation, reserve one generation, develop one generation", and implementing the R&D philosophy of "Technology Commercialization, Market Technologization", we will continuously build core technological capabilities and star products.Simultaneously, we are building a tripartite R&D team integrating technology, process, and manufacturing. Guided by the "Grand Development" philosophy ( ) and the principle of " ," these teams support and coordinate with each other to ensure the consistency and stability of R&D outcomes as they transition from the laboratory to the production line.

5. Strictly uphold the quality red line, implementing survival through quality

T he company will persistently adhere to the quality management philosophy of "Strictly controlling inputs, meticulously managing processes, and rigorously monitoring outputs". We will firmly uphold the quality red line and bottom line, fortify the foundation for the company's survival and development, and effectively implement "Quality for Survival".Strictly implementing the "self-inspection, mutual inspection, and specialized inspection" system, and enforcing "initial inspection, patrol inspection, and final inspection" throughout the entire process, while consistently adhering to the three principles: "no issue is overlooked until it is thoroughly investigated, no rectification is considered complete until it is fully implemented, and no accountability is deemed sufficient until responsibility is assigned." Simultaneously, we keep pace with the company's intelligent and information-driven development, implement preventive quality control, innovate quality management thinking, methods, and tools, and continuously enhance quality management. We rigorously guard against market risks stemming from product quality issues, building core competitiveness through product excellence.

(IV) Uncertainty Factors

None at present

IV. Risk Factors

(1) Risk Factors Persisting into the Current Year

Significant Risk Events Item Name	Risks Persisting into the Current Year and Countermeasures
Raw Material Supply and Price Fluctuation Risk	Description of Significant Risk: The Company's production requires a relatively diverse range of raw materials. Key materials for alkaline zinc-manganese batteries include electrolytic manganese dioxide powder, zinc powder, and steel casings, while lithium battery production primarily relies on ternary cathodes, graphite anodes, and electrolytes. Direct materials constitute a significant portion of the Company's main business costs. Fluctuations in raw material procurement prices substantially impact the Company's main business costs and profitability. Countermeasures: Further deepen systematic cost reduction efforts, focusing on controlling procurement costs for key raw materials. Strengthen analysis of price trends for major raw materials, lock in costs in advance, and implement itemized control. Simultaneously, further enhance efficiency and cost reduction by advancing improvements in labor efficiency, material efficiency, capital efficiency, and other areas to boost overall efficiency, strengthen the company's profitability, and enhance comprehensive competitiveness. to enhance the company's profitability and overall competitiveness.
Risk of High Customer Concentration	Description of Significant Risk: During the reporting period, sales revenue from the top five customers reached RMB 1.211 billion, accounting for 32.99% of total operating revenue. Should future price reductions, order decreases, or delayed shipments occur with major customers, this may adversely impact the company's operations. Countermeasures: We will intensify market development efforts to actively cultivate new customers. Concurrently, we will continuously enhance new product R&D, extend existing product chains, expand into new business areas, diversify revenue streams, and reduce reliance on major customers. and explore new business areas to diversify revenue streams and reduce dependence on major customers.
Risk of Improper Control by Controlling	Description of Significant Risk: As of the end of the reporting period, the controlling shareholder, Changhong Group, directly held 60.28% of the Company's equity, maintaining an absolute controlling position.

Shareholders Control Risks	

	If the controlling shareholder exercises improper control over the Company's operations, personnel, or finances, it may adversely affect the Company's operations and other shareholders. Countermeasures: The company primarily regulates shareholder conduct by improving its corporate governance structure. It has established management documents such as the Rules of Procedure for Shareholders' Meetings, Rules of Procedure for Board of Directors Meetings, Rules of Procedure for Board of Supervisors Meetings, and the Related Party Transaction Management System to institutionally standardize shareholder . Concurrently, the company will advance equity structure optimization through multiple approaches.
Exchange Rate Fluctuation Risk	Description of Significant Risk Factors: Export revenue constitutes a significant portion of the Company's main business income. Substantial exchange rate fluctuations could adversely impact the Company's operating performance. Countermeasures: To address exchange rate fluctuation risks, the Company will enhance its analysis of exchange rate trends based on market conditions. By utilizing foreign exchange products and instruments to reasonably mitigate risks.
Tariff Risk	Description of Significant Risk: The company's overseas clients are primarily concentrated in Europe, the United States, and Japan. With the rise of global trade protectionism, certain export operations may face additional tariffs, potentially impacting the company's export business. Countermeasures: Closely monitor global trade protection trends, maintain effective communication with clients, strengthen domestic brand sales operations, and strive to minimize the impact of tariff policies on the company's operations.
Goodwill Impairment Risk	Description of Significant Risk: The acquisition of Changhong Sanjie and Shenzhen Juheyuan was valued using the income approach based on their projected future profitability, resulting in a significant premium over their book net assets. This generated substantial goodwill in the consolidated financial statements post-acquisition. Should the actual operating performance of Changhong Sanjie and Shenzhen Juheyuan fall short of expectations, the company may face goodwill impairment risks. Countermeasures: Continuously monitor industry trends and enhance the technological innovation capabilities, product quality, and service levels of Changhong Sanjie and Shenzhen Juheyuan. service levels, strengthen market competitiveness, maintain rapid and stable development, and advance the achievement of operational objectives.
Internal Control Risks	Description of Significant Risk Matters: The Company's three wholly-owned subsidiaries are located in different regions, and their internal management systems exhibit certain discrepancies from the Company's overall management requirements. The Company has organized its subsidiaries to refine their internal control systems by referencing the headquarters' regulations while adapting to their specific circumstances, further standardizing their investment activities, related-party transactions, and other behaviors. However, management integration requires a certain process and timeframe, which may result in gaps in certain systems or inadequate implementation. Countermeasures: Strengthen management coordination between headquarters and subsidiaries. Enhance the development of core systems in operations, finance, human resources, and investment; facilitate the deployment of key managerial personnel; and intensify relevant training programs. Further advance management integration efforts, refine the authorization and decision-making framework, clarify the negative list for major decision-making matters at subsidiaries, and strengthen audit, inspection, and oversight functions over subsidiaries. .
Significant Changes in Current Period's Major Risks Changes:	No significant changes in major risks during the current period.

(2) New risk factors added during the reporting period

New risk items Item Name	New risks and countermeasures identified by the company during the reporting period

None	None

Section V Significant Events

I. Index of Major Events

Item	Yes or No	Index
Existence of Litigation or Arbitration Matters	√ Yes ☐ No	V.2.(1)
Are there any external guarantees?	√ Yes ☐ No	V.2.(2)
Whether external loans are provided	☐ Yes √ No	
Are there any instances of shareholders or their affiliates occupying or transferring company funds, assets, or other resources? resources?	☐ Yes √ No	V.II.(3)
Are there any significant related-party transactions?	√ Yes ☐ No	V.2.(4)
Are there any acquisitions, asset sales, external investments, or business combinations occurring during the reporting period?	☐ Yes √ No	
Are there any equity incentive plans, employee stock ownership plans, or other employee incentive measures?	☐ Yes √ No	
Are there any share repurchase matters?	☐ Yes √ No	
Are there any disclosed commitments?	√ Yes ☐ No	V.II.(V)
Are there any circumstances where assets have been seized, detained, frozen, mortgaged, or pledged?	√ Yes ☐ No	V.2.(6)
Is the company facing delisting after the annual report disclosure?	☐ Yes √ No	
Are there any matters under investigation or subject to penalties?	√ Yes ☐ No	V.2.(7)
Are there any instances of dishonesty?	☐ Yes √ No	
Are there any material contracts that should be disclosed?	☐ Yes √ No	
Are there any other material matters that should be disclosed?	☐ Yes √ No	
Are there any other matters subject to voluntary disclosure?	√ Yes ☐ No	V.2.(8)

II. Details of Significant Events

(1) Litigation and Arbitration Matters

1. Litigation and arbitration matters occurring during the reporting period

Unit: RMB

√ Applicable ☐ Not Applicable

Nature	Cumulative Amount	Percentage of Net Assets at Period-End
As Plaintiff/Petitioner	254,254,009.16	28.10%
As Defendant/Respondent	3,105,526.00	0.34%
As third party	0	0%
Total	257,359,535.16	28.44%

2. Significant pending litigation and arbitration matters during the reporting period

Unit: RMB

√ Applicable ☐ Not Applicable

Plaintiff/Applicant	Defendant/Respondent	Subject Matter	Amount Involved	Percentage of Net Assets at End of Period	Whether	Disclosure in Interim Announcement

	Applicant			Asset Proportion %	Estimated Liabilities	Disclosure Date
Changhong Jiechuang	Shenzhen Haoneng Technology Co., Ltd. Co., Ltd.	Sales Contract Dispute	169,621,641.92	15.46%	No	December 2023 13
Changhong Jiechuang	Shenzhen Xinjia Tuo Automation Technology Co., Ltd. Co., Ltd.	Sales Contract Dispute	81,504,379.34	7.43%	No	November 2024 4
Total	-	-	251,126,021.26	22.89%	-	-

Progress and impact on the company of major pending litigation and arbitration matters:

On May 23, 2024, the Company received a civil ruling issued by the Sichuan Provincial High People's Court on May 17, 2024, with the following outcome: The case involving the sales contract dispute between Changhong Jiechuang and Shenzhen Haoneng Technology Co., Ltd. has been transferred to the Fifth Intermediate People's Court of Chongqing Municipality.As of the end of September 2023, all customer claims and inventory impairment losses related to this litigation have been recognized or provisioned. It is anticipated that this litigation matter will not have a material impact on the Company's subsequent period profits. Should the Company prevail in this case, it is expected to have a positive impact on the Company's financial position.For details, please refer to the progress announcement regarding litigation involving the controlling subsidiary disclosed on May 23, 2024 (Announcement No.: 2024-050).

On December 27, 2024, the Company received a summons from the Mianyang High-Tech Industrial Development Zone People's Court regarding the sales contract dispute between Changhong Jiechuang and Shenzhen Xinjia Tuozhixie Technology Co., Ltd. The first hearing was held on January 13, 2025.

Automation Technology Co., Ltd. was served with a summons by the Mianyang High-Tech Industrial Development Zone People's Court. The first hearing was held on January 13, 2025, and the second hearing was scheduled for March 26, 2025.

March 26, 2025. As of the date of this report, the Company has not yet received the court's judgment. The Company will actively address the matter in accordance with the law to safeguard its legitimate rights and interests, protect the interests of the Company and its shareholders, and fulfill its information disclosure obligations in a timely manner based on the progress of the litigation.As of the end of 2023, losses related to customer claims and inventory write-downs arising from this litigation have been fully recognized or provisioned. It is anticipated that this litigation matter will not have a material impact on the Company's subsequent profits. Should the Company prevail in this case, it is expected to have a positive impact on the Company's financial position.For specific details, please refer to the progress announcement regarding litigation involving the controlling subsidiary disclosed on December 31, 2024 (Announcement No.: 2024-082)

3. Significant Litigation and Arbitration Matters Concluded During the Reporting Period

☐ Applicable √ Not Applicable

(II) External Guarantees Provided by the Company

Unit: RMB

Guarantee Recipient	Is the Guarantee Recipient a Controlling Shareholder, Actual Controller, or Other Entity Controlled by Them? Enterprise	Is the Guarantee Recipient an Affiliate?	Guarantee Amount	Guarantee Balance	Amount of Guarantee Liability Actually Fulfilled	Guarantee Period		Guarantee Type	Liability Type	Whether Necessary Decision-Making Procedures Have Been Followed
						Commencement date	Termination Date			
Zhejiang Chang	No	No	65,000,000.00	0.00	0.00	September 8, 2023	September 8, 2026	Guarantee	Joint and several	Completed

Hongfei Shidian Electrical Appliance Industry Co., Ltd. Company										Prior to and timely fulfillment
Zhejiang Changhong Feishi Electric Appliance Industrial Co., Ltd. Company	No	No	25,000,000.00	15,000,000.00	0.00	2023/01/06	January 5, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Zhejiang Changhong Feishi Electric Appliance Industry Co., Ltd. Company	No	No	35,000,000.00	10,000,000.00	0.00	2024/12/20	December 19, 2026	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Zhejiang Changhong Feishi Electric Appliance Industry Co., Ltd. Company	No	No	30,000,000.00	6,836,801.58	0.00	2024/08/29	February 28, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Zhejiang Changhong Feishi Electric Appliance Industry Co., Ltd. Company	No	No		12,087,461.29	0.00	November 1, 2024	May 1, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Zhejiang Changhong Feishi Electric Appliance Industry Co., Ltd. Company	No	No	50,000,000.00	5,287,594.96	0.00	September 23, 2024	March 23, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Zhejiang Changhong Feishi Electric Appliance Industry Co., Ltd. Company	No	No		20,804,687.01	0.00	November 21, 2024	May 21, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Zhejiang Changhong Feishi Electric Appliance Industry Co., Ltd. Company	No	No	20,000,000.00	5,000,000.00	0.00	November 28, 2024	November 26, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Zhejiang Changhong Feishi Electric Appliance Industry Co., Ltd. Company	No	No		9,006,355.66	0.00	2024/12/24	June 24, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment

Shenzhen Changhong Juheyuan Technology Co., Ltd. Company	No	No	21,500,000.00	2,500,000.00	0.00	October 15, 2024	October 14, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Shenzhen Changhong Juheyuan Technology Co., Ltd. Company	No	No		2,300,000.00	0.00	2024/11/14	November 13, 2025	Guarantee	Joint and Several	Completed Prior to and timely fulfillment
Shenzhen Changhong Juheyuan Technology Co., Ltd. Company	No	No		9,000,000.00	0.00	September 10, 2024	March 10, 2025	Guarantee	Joint and several	Completed Prior to and timely fulfillment
Shenzhen Changhong Juheyuan Technology Co., Ltd. Company	No	No		4,500,000.00	0.00	2024/09/29	March 29, 2025	Guarantee	Joint and Several	Completed Prior to and Timely Performance
Total	-	-	246,500,000.00	102,322,900.50	0.00	-	-	-	-	-

Summary of External Guarantees:

Unit: Yuan

Item Summary	Guarantee Amount	Outstanding Guarantee Balance
Guarantees Provided by the Company (including guarantees provided by the Company and its controlled subsidiaries, as well as guarantees provided by the Company for its controlled **subsidiaries)** **and** guarantees provided by the company to its controlled subsidiaries)	246,500,000.00	102,322,900.50
Guarantees provided by the Company and its subsidiaries to shareholders, actual controllers, and their related parties	0	0
Direct or indirect debt guarantees provided to guaranteed parties with a debt-to-asset ratio exceeding 70% (excluding this figure)	0.00	0.00
The company has no apparent indications of guarantees that may entail joint and several liability; no guarantees were implemented without internal review procedures.	0	
Amount of company guarantees exceeding 30% (exclusive) of net assets	0.00	0.00

Repayment and Non-Compliant Guarantees:

(3) Use or Transfer of Company Funds, Assets, and Other Resources by Shareholders and Their Affiliates

During the reporting period, there were no instances of shareholders or their affiliates occupying or transferring the Company's funds, assets, or other resources.

(IV) Significant related-party transactions occurring during the reporting period

1. Does the company anticipate routine related-party transactions?

√ Yes □ No

Unit: Yuan

Specific Transaction Type	Estimated Amount	Actual Amount
1. Purchase of raw materials, fuel, power, and acceptance of services	305,000,000.00	261,028,012.01
2. Sales of products, goods, and provision of services	791,500,000.00	655,812,717.23
3. Types of routine related-party transactions applicable to the Company as stipulated in the Articles of Association		
4. Other	4,880,000,000.00	4,082,887,195.68

2. Significant Routine Related-Party Transactions

Unit: Yuan

√ Applicable ☐ Not Applicable

Related Party	Transaction Price	Transaction Amount	Pricing Principles	Transaction Details	Settlement Method	Significant Discrepancy Between Market Price and Transaction Price	Reasons for Significant Discrepancies Between Market Price and Transaction Price	Whether large-scale sales returns are involved	Significant Sales Returns	Temporary Announcement Disclosure Date
Sichuan Hongke Co., Ltd. Tai Ji Gong	-	116,143,554.93	Market Price Market-based	Procurement of steel shells, sealed circles, etc. Parts Materials	Cash	No	Not applicable	No	Not applicable	March 6, 2024 6
Shenzhen Feishi Chi You Company City Power Restriction	-	104,000,166.92	Market Price Market-set original	Sales of caustic soda electricity, carbon electricity, etc.	Cash or Accepted Bill Bank draft	No	Not applicable	No	Not applicable	March 6, 2024 6
Hangzhou Paidian Co., Ltd. Nengchi Gong	-	523,645,586.29	Market Price Market-determined original	Sales Alkaline Batteries	Cash or Bank Transfer Bills Bill of Exchange	No	Not applicable	No	Not applicable	March 6, 2024 6

3. Related-party transactions arising from the acquisition or disposal of assets or equity interests

☐ Applicable √ Not applicable

4. Related-party transactions arising from joint external investments with related parties

√ Applicable ☐ Not applicable

Co-Investor	Name of Investee	Principal Business	Registered Capital	Total Assets	Net Assets	Net Profit	Progress of Major Construction Projects Status	Temporary Announcement Disclosure Date
Sichuan Changhong Electronics Holding Group Co., Ltd., Sichuan Changhong Electric Co., Ltd., Sichuan Shenwan Hongyuan Changhong Equity Investment Management Co., Ltd., Guangdong Changhong Electronics Co., Ltd., Sichuan Qirui Ke Technology Co., Ltd., Sichuan Changhong Power Supply Co., Ltd., Sichuan Changhong New Energy Technology Co., Ltd., Changhong Sanjie New Energy Co., Ltd., Sichuan Changhong Gerun Environmental Protection Technology Co., Ltd., Yibin Hongxing Electronics Co., Ltd., Sichuan Changhong Jiahua Digital Technology Co., Ltd., Changhong Huayi Compressor Co., Ltd.	Changhong Group Sichuan Shenwan Hongyuan Strategic New Industry Fund Partnership Enterprise Enterprise (Limited Partnership)	Engaged in equity investment, investment management, asset management, and other activities through private funds (Operations may commence only after registration and filing with the Asset Management Association of China).	1,500,000,000.00	524,480,741.13	524,352,206.59	9,203,143.67	N/A	2022 July 12

5. Transactions involving receivables and payables with related parties

√ Applicable ☐ Not Applicable

Unit: Yuan

Related Party	Reporting Section Item	Debts and Receivables Beginning of Period Balance	Current Period Transactions	Ending Balance	Original Reason	Impact on the Company Impact	Interim Announcement Disclosure Date
Sichuan Taihong Technology Co., Ltd.	Supplier - Accounts Payable	15,271,873.70	14,208,325.22	29,480,198.92	Procurement of steel shells, seals, and other components Materials	No significant adverse impact	March 6, 2024 6
Shenzhen Feishi Battery Co., Ltd. Co., Ltd.	Customer - Accounts	9,166,387.46	3,248,888.55	12,415,276.01	Sales of Alkali Electrolyte and Carbon Electrolyte etc.	No significant adverse impact Impact	March 6, 2024 6

Hangzhou Nengpai Battery Co., Ltd. Company	Customer - Accounts Receivable Balance	58,928,732.06	9,580,412.50	68,509,144.56	Sales of alkali batteries, etc.	No material adverse effect impact	March 6, 2024 6, 2024

6. Matters concerning guarantees provided by related parties to the company

√ Applicable ☐ Not Applicable

Unit: Yuan

Related Party	Guarantee Details	Guarantee Amount	Outstanding Guarantee Balance	Amount of Guarantee Liability Actually Fulfilled Amount	Guarantee Period		Guarantee Type	Liability Type	Temporary Announcement Disclosure Date
					Commencement Date	End Date			
Sichuan Changhong Electronics Holding Group Co., Ltd.	Working Capital Loans	120,000,000.00	120,000,000.00	0.00	April 8, 2024	April 8, 2027	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Working Capital Loans	78,000,000.00	78,000,000.00	0.00	June 26, 2024	June 26, 2027	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Comprehensive Credit Facility	50,000,000.00	9,000,000.00	0.00	February 26, 2024	February 24, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Working Capital Loan	70,000,000.00	21,000,000.00	0.00	November 13, 2024	November 11, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Working Capital Loans		6,000,295.66	0.00	July 24, 2024	July 22, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Working Capital Loans	34,000,000.00	-	0.00	2022/11/09	November 5, 2027	Guarantee	Joint and several	-
Sichuan Changhong	Bank Accepted Bill	14,130,000.00	-	0.00	2022/11/09	November 5		Joint	-

Sichuan Changhong Electronics Holding Group Co., Ltd.	Project Loan	200,000,000.00	53,165,708.60	0.00	February 22, 2023	February 19, 2026	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Comprehensive Credit Facility	100,000,000.00	23,000,000.00	0.00	2023/09/26	March 24, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Comprehensive Credit Facility		9,000,000.00	0.00	2023/08/03	2025/01/30	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Project Loan	499,680,000.00	329,640,744.64	0.00	2021/09/18	September 17, 2029	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Working Capital Loan	34,500,000.00	34,500,000.00	0.00	May 17, 2024	May 16, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Working Capital Loan	31,500,000.00	31,500,000.00	0.00	May 24, 2024	May 23, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Accepted Bill Exposure	66,000,000.00	-	0.00	September 6, 2023	September 6, 2026	Guarantee	Joint and several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Financing Leasing	193,043,800.00	24,132,178.38	0.00	2022/01/10	January 10, 2027	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Accepted Bill Exposure	55,000,000.00	24,354,784.32	0.00	July 2, 2024	2025/1/2	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Accepted Bill Exposure		9,000,000.00	0.00	July 9, 2024	January 9, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Accepted Bill Exposure		26,546,597.98	0.00	October 11, 2024	April 11, 2025	Guarantee	Joint and Several	-

Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Accepted Bill Exposure	66,000,000.00	8,407,373.21	0.00	October 17, 2024	April 17, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Accepted Bill		20,818,701.65	0.00	October 31, 2024	2025/4/30	Guarantee	Joint and Several	-

	Exposure								
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Accepted Bill Exposure		1,800,000.00	0.00	November 5, 2024	May 5, 2025	Guarantee	Joint and Several	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Bank Accepted Bill Exposure	60,000,000.00	36,000,000.00	0.00	2024/12/31	June 30, 2025	Guarantee	Joint and Several	-
Total	-	1,731,853,800.00	885,866,384.44	0.00	-	-	-	-	-

7. Deposits, loans, credit facilities, or other financial transactions between the Company and its affiliated financial companies, or between the Company's controlled financial companies and related parties

√ Applicable ☐ Not applicable **Deposit status**

√ Applicable ☐ Not Applicable

Related Parties	Maximum Daily Deposit Limit (RMB 10,000)	Deposit Interest Rate Range	Opening Balance (RMB 10,000)	Current Period Transactions		Ending Balance (RMB 10,000)
				Total Deposits for the Period (RMB 10,000)	Total Withdrawals for the Period (RMB 10,000)	
Changhong Finance Company	115,000.00	0.42%-2.5%	29,634.49	312,958.75	311,509.27	31,083.97

Loan Status

√ Applicable ☐ Not Applicable

Related Parties	Loan Amount (RMB 10,000)	Loan Interest Rate Range	Opening Balance (RMB 10,000)	Current Period Transactions		Ending Balance (RMB 10,000)
				Total Loans for Current Period Amount (RMB 10,000)	Total Repayments for the Period Amount (RMB 10,000)	
Changhong Finance Company	95,000.00	3.88%-4.56%	24,800.00	37,600.00	24,800.00	37,600.00

Credit Facilities or Other Financial Services

√ Applicable ☐ Not Applicable

Unit: CNY

Related Parties	Total Credit Limit or Other Financial Services Limit	Actual Amount Incurred, etc.
Changhong Finance Company	1,150,000,000.00	517,649,145.34

8. Other Significant Related-Party Transactions

√ Applicable ☐ Not Applicable

During the reporting period, the Company leased factory premises located at No. 36 Xinping Avenue, Mianyang City, Sichuan Province, from Sichuan Changhong. The lease term was 12 months, with a total cost of RMB 10,606,381.99. Jiechuang Lithium Battery, a wholly-owned subsidiary of Changhong Sanjie (a subsidiary of the Company), leased factory premises located at No. 36 Xinping Avenue, Mianyang City, Sichuan Province, from Sichuan Changhong for a term of 12 months at a cost of RMB 8,978,727.84. For details, please refer to the Company's announcement dated April 24, 2024.

for a 12-month term at a cost of RMB 8,978,727.84. For details, please refer to the Company's disclosure dated April 24, 2024, titled "Notice on Related Party Transactions."

Announcement on Factory Building Lease and Related Party Transaction" (Announcement No.: 2024-033) disclosed by the Company on April 24, 2024.

(v) Status of Commitment

Matters Has the Company Added New

Commitment Matters?

☐ Applicable √ Not Applicable

Details of Commitments:

During the reporting period, the Company did not make any new commitments. All previously disclosed commitments were fulfilled within the stipulated timeframe. Commitment parties performed their obligations as agreed, with no instances of breach.

(VI) Status of Assets Seized, Detained, Frozen, or Subject to Mortgage or Pledge

Unit: RMB

Asset Name	Asset Category	Restricted Rights Type	Book Value	Percentage of Total Assets Example %	Reason
Fixed Assets	Equipment	Mortgage	101,045,803.14	2.22%	Comprehensive Credit Facility
Deferred Expenses	Renovation and Modification	Mortgage	4,669,985.40	0.10%	Comprehensive Credit Facility
Cash and Cash Equivalents	Bank Deposits	Frozen	1,732,220.04	0.04%	Judicial Freeze
Total	-	-	107,448,008.58	2.36%	-

Impact of Restricted Assets on the Company:

The aforementioned asset mortgages were arranged by Changhong Jiechuang, a wholly-owned subsidiary of the Company, for mortgage financing to meet its operational development needs. This facilitates Changhong Jiechuang in addressing short-term funding gaps and safeguards its healthy and sustainable development. The Company will regularly analyze its debt structure and maturity schedules, supervise the utilization of bank loans, ensure controllable risks, and prevent any adverse impact on the Company's normal operations.

The freezing of bank deposits stems from an infringement liability dispute case involving Changhong Sanjie, a subsidiary, which was sued for joint and several liability due to a product incident involving a downstream customer. This has no significant adverse impact on the Company's normal operations.

(VII) Investigation and Penalty Matters

On December 30, 2024, the company received the "Decision on Issuing a Warning Letter to Sichuan Changhong New Energy Technology Co., Ltd." issued by the Sichuan Regulatory Bureau of the China Securities Regulatory Commission. Relevant company announcements indicate that due to production line malfunctions, the company's controlling subsidiary Changhong Jiechuang asserted compensation claims against equipment suppliers.The Company's disclosure regarding production equipment quality issues and subsequent handling was incomplete and inadequate. Such conduct violated Article 3 of the Administrative Measures for Information Disclosure of Listed Companies. Pursuant to Article 52 of the Administrative Measures for Information Disclosure of Listed Companies, the Sichuan Regulatory Bureau of the China Securities Regulatory Commission decided to issue an administrative regulatory warning letter to the Company, which will be recorded in the securities and futures integrity archive.

For details, please refer to the company's announcement titled "Notice Regarding the Company's Receipt of the Administrative Regulatory Measures Decision Letter from the Sichuan Regulatory Bureau of the China Securities Regulatory Commission" (Announcement No.: 2024-083) disclosed on the Beijing Stock Exchange (www.bse.cn) on December 31, 2024.

(viii) Other Voluntarily Disclosed Matters

The Company convened the Twenty-Fourth Meeting of the Third Board of Directors on March 5, 2024, and reviewed and approved the "Proposal on Investing in a Factory in Thailand."

For details, please refer to the "Announcement on the 24th Meeting of the Third Board of Directors" (Announcement No.: 2024-006) and the "Announcement on Overseas Investment" (Announcement No.: 2024-008) disclosed by the Company on the official information disclosure platform of the Beijing Stock Exchange (www.bse.cn) on March 6, 2024. The progress of the Thailand High-Performance Eco-Friendly Alkaline Battery Investment Project is as follows:

1. On July 4, 2024, the Thai company completed its business registration.

2. On September 10, 2024, the Thai company obtained the land use permit from the Thai Industrial Estate Authority and the foreign land ownership permit.

3. On September 13, 2024, the Thai company completed the land transfer;

4. On December 17, 2024, the Thai company held a groundbreaking ceremony for the project, with overseas factory construction progressing in an orderly manner;

5. On March 4, 2025, the Thai company's BOI application passed the internal review and was approved by the Board of Investment of Thailand.

Section 6 Share Changes and Shareholder Status

I. Common Share Capital

(1) Common Stock Capital Structure

Unit: Shares

Share Type		Beginning of Period		Changes During the Period	End of Period	
		Quantity	Percentage %		Quantity	Percentage %
Unrestricted shares	Total unrestricted shares	49,714,584	38.23%	-4,500	49,710,084	38.22%
	Of which: Controlling Shareholders and Actual Controlling Persons Person	0	0%	0	0	0%
	Directors, Supervisors, and Senior Executives	646,139	0.50%	-71,304	574,835	0.44%
	Core Employees	0	0%		0	0%
Restricted shares	Total restricted shares	80,338,419	61.77%	4,500	80,342,919	61.78%
	Of which: Controlling Shareholders and Actual Controlling Persons Controlling Person	78,400,000	60.28%	0	78,400,000	60.28%
	Directors, Supervisors, and Senior Executives	1,938,419	1.49%	-85,350	1,853,069	1.42%
	Core Employees	0	0%	0	0	0%
Total Shares Outstanding		130,053,003	-	0	130,053,003	-

Changes in Share Capital Structure:

☐ Applicable √ Not Applicable

(2) Shareholders holding 5% or more of shares or top ten shareholders

Unit: Shares

Serial No.	Shareholder Name	Shareholder Type	Opening Balance	Shareholding Change	Ending Shareholding	Ending Shareholding Ratio %	Restricted Shares Held at End of Period Quantity	Number of unrestricted shares held at end of period Quantity
1	Sichuan Changhong Electronics Holding Group Co., Ltd.	State-owned Legal Entity	78,400,000	0	78,400,000	60.2831%	78,400,000	0
2	Guo Long	Domestic Natural Person Person	1,367,000	0	1,367,000	1.0511%	1,025,250	341,750
3	Xie Aibao	Domestic Natural Person Person	641,003	237	641,240	0.4931%	0	641,240
4	Bank of Beijing Co., Ltd. - Chuangjin Hexin CSI 50 Component Index Enhanced Securities Investment Fund	Other	0	491,076	491,076	0.3776%	0	491,076
5	Liu Bing	Domestic	0	470,000	470,000	0.3614%	0	470,000

		Natural Person						
6	Huatai Securities Co., Ltd. Client Margin Trading Collateral Securities Account	Domestic Non-State-Owned Legal Person	353,803	59,239	413,042	0.3176%	0	413,042
7	Li Xudong	Domestic Natural Person	235,254	168,627	403,881	0.3106%	0	403,881
		Person						
8	Guojin Securities Co., Ltd. Market Making Dedicated Account	Domestic Non-State-Owned Legal Entity	336,421	63,579	400,000	0.3076%	0	400,000
		Individual						
9	Zeng Tao	Domestic Natural Person	357,421	0	357,421	0.2748%	268,066	89,355
		Person						
10	Industrial and Commercial Bank of China Limited - Huitianfu BSE Innovation Selection Two-Year Fixed-Term Open Hybrid Securities Investment Fund	Other	738,552	-385,379	353,173	0.2716%	0	353,173
Total		-	82,429,454	867,379	83,296,833	64.0484%	79,693,316	3,603,517
Statement on Interrelationships Among Shareholders Holding 5% or More of Shares or Among the Top Ten Shareholders: The Company has not identified any related-party relationships among the aforementioned shareholders.								

Whether shareholders holding 5% or more of the shares or the top ten shareholders have pledged or judicially frozen shares

☐ Applicable √ Not applicable

Circumstances where investors become top ten shareholders through subscription of the company's publicly issued shares:

☐ Applicable √ Not applicable

II. Basic Information on Preferred Stock Capital

☐ Applicable √ Not Applicable

III. Controlling Shareholders and Actual Controlling Persons

Consolidated Disclosure:

☐ Yes √ No

(1) Controlling Shareholder Information

The Company's controlling shareholder is Sichuan Changhong Electronics Holding Group Co., Ltd., with Liu Jiang as its legal representative.

The company was established on June 16, 1995

16, with Unified Social Credit Code: 91510700720818660F and registered capital of RMB 300,000.00 million. Changhong Group has evolved into a multi-billion-dollar multinational conglomerate primarily engaged in smart home, new energy, digital economy, and healthcare industries. During the reporting period, Chang

Holding Group held 78.4 million shares of the Company, accounting for 60.28%. During the reporting period, there was no change in the Company's controlling shareholder.

(2) Actual Controlling Party

The actual controller of the Company is the Mianyang Municipal State-owned Assets Supervision and Administration Commission. The property rights relationship between the Mianyang Municipal State-owned Assets Supervision and Administration Commission, the Company's controlling shareholder, and the Company is as follows:



Does an actual controller exist?

√ Yes □ No

Number of shares with voting rights held by the actual controller and its concerted parties (shares)	78,400,000
Percentage of voting rights held by the actual controller and its concerted parties (%)	60.2831%

Section VII Financing and Profit Distribution

I. Common Stock Issuance and Use of Raised Funds During the Reporting Period

1. Common Stock Issuance During the Reporting Period

(1) Public Offering

☐ Applicable √ Not Applicable

(2) Private Placement

☐ Applicable √ Not Applicable

2. Use of Raised Funds Outstanding as of the Reporting Period

☐ Applicable √ Not Applicable

II. Status of Preferred Shares Outstanding as of the Reporting Period

☐ Applicable √ Not Applicable

III. Bond Financing Details Outstanding as of the Date of Approval of the Annual Report

☐ Applicable √ Not Applicable

IV. Convertible Bonds Outstanding as of the Current Period

☐ Applicable √ Not Applicable

V. Occurrence of Indirect Financing by Banks and Non-Bank Financial Institutions

√ Applicable ☐ Not Applicable

Unit: Yuan

Serial No.	Loans Method	Lender	Lender Type	Loan Size	Term		Interest Rate
					Start Date	Maturity Date	
1	Guarantee	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	24,074,556.06	2022 Year October 10 2022	September 17, 2029 17	4.39%
2	Credit	Chengdu Changhong Financial Leasing Co., Ltd.	Non-bank Financial Institution	17,100,000.00	June 19, 2023 19	May 30, 2028 30	4.47%
3	Guaranteed	China Everbright Bank Co., Ltd. Co., Ltd. Taizhou Branch	Bank	23,000,000.00	September 26, 2023 26	March 24, 2025 24	3.50%
4	Credit	Agricultural Bank of China Limited Taixing Branch Branch	Bank	10,000,000.00	June 25, 2024 25	June 24, 2025 24	3.95%
5	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	33,000,000.00	September 27, 2024 27	September 26, 2025 26	3.94%

6	Credit	Agricultural Bank of China Limited Taixing Branch Branch	Bank	60,000,000.00	May 21, 2024 21	May 20, 2025 20	3.75%
7	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	9,355,000.00	January 27, 2022 2022	January 10, 2025 10	4.05%
8	Guaranteed	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	3,900,000.00	January 10, 2022 10	January 10, 2025 10	4.05%
9	Guaranteed	Suzhou Bank Co., Ltd. Company Taizhou Branch	Bank	6,000,295.66	July 24, 2024 24	July 22, 2025 22	3.55%
10	Guaranteed	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	2,712,800.00	July 23, 2024 2024	2025 10	4.05%
11	Guaranteed	Jiangsu Bank Co., Ltd. Taixing Branch	Bank	9,000,000.00	February 26, 2024 26	February 24, 2025 24	3.75%
12	Guaranteed	Suzhou Bank Co., Ltd. Taizhou Branch	Bank	21,000,000.00	2024 Year November 13 2025	2025 Year November 11 November	3.80%
13	Credit	Chengdu Changhong Financial Leasing Co., Ltd.	Non-Bank Financial Institution	4,606,000.00	June 13, 2023 13	May 29, 2026 29	4.47%
14	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	50,000,000.00	May 13, 2024 13	May 13, 2025 13	4.14%
15	Guaranteed	Industrial and Commercial Bank of China Limited Taixing Sub-branch	Bank	20,000,000.00	January 22, 2024 22	January 17, 2025 17	3.50%
16	Guaranteed	China Merchants Bank Co., Ltd. Taixing Sub-branch	Bank	247,936.32	May 16, 2023 16	February 19, 2026 19	3.65%
17	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	17,999,382.34	2021 Year October 12 2021	September 17, 2029 17	4.39%
18	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	7,018,400.00	2021 Year November 5	September 17, 2029 17	4.39%
19	Guaranteed	Chengdu Bank, Jinhé Sub-branch	Bank	31,500,000.00	May 24, 2024 24	May 24, 2025 24	3.80%

20	Guaranteed	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	1,530,000.00	2022 2022	January 10, 2025 10	4.05%
21	Credit	Agricultural Bank of China Limited Taixing Branch Branch	Bank	20,000,000.00	March 6, 2024 March 6	March 5, 2025 5	3.20%
22	Guarantee	China Merchants Bank Co., Ltd. Taixing Sub-branch	Bank	18,673,567.68	June 9, 2023 9	February 19, 2026 19	3.65%
23	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	1,937,000.00	2022 Year October 18 2022	2025 10	4.05%
24	Guaranteed	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	2,712,800.00	January 27, 2022 2022	January 10, 2025 10	4.05%

25	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	24,308,515.41	2021 Year November 25 2021	September 17, 2029 17	4.39%
26	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	30,000,000.00	September 18, 2024 18	September 18, 2025 18	3.94%
27	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	3,874,000.00	2022 10	January 10, 2025 10	4.05%
28	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	7,189,778.28	July 5, 2023 5, 2023	September 17, 2029 17	4.39%
29	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	1,300,000.00	July 23, 2024 2024	January 10, 2025 10	4.05%
30	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	23,483,899.73	2021 Year October 29 2021	September 17, 2029 17	4.39%
31	Guaranteed	China Merchants Bank Co., Ltd. Taixing Sub-branch	Bank	8,802,160.80	March 10, 2023 2023	February 19, 2026 19	3.65%
32	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang Business Department	Bank	4,916,400.00	June 14, 2022 14	September 17, 2029 17	4.39%
33	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	60,000,000.00	May 23, 2024 23	May 23, 2025 23	4.40%
34	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	20,000,000.00	March 16, 2022 16	September 17, 2029 17	4.39%
35	Guaranteed	China Merchants Bank Co., Ltd. Taixing Sub-branch	Bank	259,920.00	February 28, 2023 2023	February 19, 2026 19	4.00%
36	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	30,581,600.00	2021 Year October 15 2021	September 17, 2029 17	4.39%
37	Guaranteed	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	16,500,000.00	June 20, 2023 20	January 10, 2025 10	4.05%

38	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	20,000,000.00	2024 Year November 28 2025	2025 November 28	3.90%
39	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	5,850,000.00	June 20, 2023 20	January 10, 2025 10	4.05%
40	Credit	Industrial Bank Co., Ltd. Taixing Sub-branch	Bank	10,000,000.00	May 28, 2024 28	May 27, 2025 27	3.50%
41	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	26,400,000.00	April 14, 2022 14	September 17, 2029 17	4.39%
42	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang	Bank	76,000,000.00	September 17, 2021 17	September 17, 2029 17	4.39%

		Municipal Branch Business Department					
43	Credit	Chengdu Changhong Financial Leasing Co., Ltd.	Non-Bank Financial Institution	24,780,000.00	June 19, 2023 19	May 30, 2028 30	4.47%
44	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	20,000,000.00	March 27, 2024 March 27	March 27, 2025 May 27	3.98%
45	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	20,000,000.00	2024 Year December 23 2024	2025 Year December 23	3.88%
46	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	38,000,000.00	May 28, 2024 28	May 28, 2025 28	4.40%
47	Credit	Chengdu Changhong Financial Leasing Co., Ltd.	Non-bank Financial Institution	2,752,000.00	July 10, 2023 10	May 30, 2028 30	4.47%
48	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	20,000,000.00	May 11, 2024 11	May 9, 2025 9	4.56%
49	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	20,000,000.00	2024 Year December 12 2024	2025 Year December 12	3.90%
50	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	16,500,000.00	2023 Year October 27 2023	2025 10	4.05%
51	Credit	Chengdu Changhong Financial Leasing Limited Liability Company	Non-Bank Financial Institutions	9,643,200.00	June 13, 2023 13	May 29, 2026 29	4.47%
52	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	4,590,000.00	June 20, 2023 20	January 10, 2025 10	4.05%
53	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	7,754,175.00	June 19, 2023 19	September 17, 2029 17	4.39%
54	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	7,189,778.28	April 4, 2023 4	September 17, 2029 17	4.39%

55	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	1,950,000.00	April 21, 2022 21	January 10, 2025 10	4.05%
56	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	20,000,000.00	2024 Year October 22 2024	2025 Year October 22	3.94%
57	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	12,852,189.30	July 18, 2022 18, 2022	September 17, 2029 17	4.39%
58	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	14,987,800.00	July 7, 2022 2022	September 17, 2029 17	4.39%
59	Guarantee	China Merchants Bank Co., Ltd. Taixing Sub-branch	Bank	816,320.00	May 12, 2023 12	February 19, 2026 19	3.65%
60	Guarantee	Chongqing Jinyu Financial Leasing	Non-bank Financial Institution	22,000,000.00	January 2022	January 2025	4.05%

		Joint Stock Company			January 10	Month 10	
61	Guarantee	China Everbright Bank Co., Ltd. Co., Ltd. Taizhou Branch	Bank	9,000,000.00	August 3, 2023 3	2025 30	3.50%
62	Credit	Chengdu Changhong Financial Leasing Co., Ltd.	Non-Bank Financial Institution	688,000.00	July 2023 10	May 30, 2028 30	4.47%
63	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	3,060,000.00	January 10, 2022 10	January 10, 2025 10	4.05%
64	Credit	Chengdu Changhong Financial Leasing Limited Liability Company	Non-Bank Financial Institutions	13,080,000.00	September 2023 2023	May 30, 2028 30	4.47%
65	Guarantee	Chengdu Bank, Jinhé Sub-branch	Bank	34,500,000.00	May 17, 2024 17	May 17, 2025 17	3.80%
66	Credit	Chengdu Changhong Financial Leasing Co., Ltd.	Non-Bank Financial Institution	14,112,000.00	June 19, 2023 19	May 29, 2026 29	4.47%
67	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	35,000,000.00	2024 Year October 31 2025	2025 Year October 31	3.90%
68	Guaranteed	China Merchants Bank Co., Ltd. Taixing Sub-branch	Bank	365,600.00	March 29, 2023 2023	February 19, 2026 19	3.65%
69	Credit	Sichuan Changhong Group Finance Co., Ltd.	Financial Company	10,000,000.00	2024 Year December 17 2025	2025 December 17	3.88%
70	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	8,138,400.00	June 20, 2023 2023	October 10, 2025 10	4.05%
71	Guaranteed	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	1,404,200.00	July 23, 2024 2024	2025 10	4.05%
72	Guaranteed	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	10,175,000.00	July 23, 2024 2024	2025 10	4.05%
73	Guaranteed	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	18,710,000.00	January 10, 2022 2022	January 10, 2025 10	4.05%

74	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	6,797,283.33	April 6, 2022	September 17, 2029	4.39%
75	Guaranteed	China Merchants Bank Co., Ltd. Taixing Sub-branch	Bank	634,050.00	February 22, 2023	February 19, 2026	4.00%
76	Guaranteed	China Postal Savings Bank Co., Ltd. Mianyang City Branch Business Department	Bank	75,000,000.00	April 21, 2022	September 17, 2029	4.39%
77	Guarantee	Chongqing Jinyu Financial Leasing Joint-stock company	Non-Bank Financial Institutions	5,425,600.00	2022	January 10, 2025	4.05%
78	Guaranteed	China Merchants Bank Co., Ltd. Taixing Sub-branch	Bank	23,366,153.80	July 11, 2023	February 19, 2026	3.60%
79	Guarantee	Chongqing Jinyu Financial Leasing Co., Ltd.	Non-bank Financial Institution	11,000,000.00	2022	January 10, 2025	4.05%

80	Credit	Chengdu Changhong Financial Leasing Co., Ltd.	Non-Bank Financial Institution	11,400,000.00	September 2023 2023	May 30, 2028 30	4.47%
81	Credit	Agricultural Bank of China Limited Taixing Branch Branch	Bank	30,000,000.00	July 31, 2024 31	July 31, 2025 30	3.85%
82	Guaranteed	China Construction Bank Jiaxing Branch	Bank	15,000,000.00	June 6, 2023 6	January 5, 2025 5	3.50%
83	Guaranteed	China Construction Bank Jiaxing Branch	Bank	10,000,000.00	2024 Year December 20 20	2026 December December 19 2026	2.95%
84	Guarantee	Industrial and Commercial Bank of China Limited Jiaxing Nanhu Branch	Bank	5,000,000.00	August 26, 2024 26	August 20, 2025 20	3.10%
85	Credit	China Development Bank Sichuan Branch	Bank	100,000,000.00	2024 Year December 25 2026	2026 Year December 25	2.45%
86	Guarantee	China Development Bank Sichuan Sichuan Provincial Branch	Bank	120,000,000.00	April 8, 2024 8, 2024	April 8, 2027 8	2.67%
87	Credit	Bank of China Jiaxing Economic Development Zone Sub-branch	Bank	5,000,000.00	2024 Year November 28 2025	2025 Year November 26	2.80%
88	Credit	Bank of China Limited Mianyang Branch	Bank	98,000,000.00	2024 Year December 27 2025	2025 Year December 27 2025	2.27%
89	Guarantee	China Development Bank Sichuan Sichuan Provincial Branch	Bank	78,000,000.00	June 26, 2024 26	June 2027 June 26	2.67%
90	Guarantee	China Everbright Bank Co., Ltd. Shenzhen Buji Branch	Bank	1,200,000.00	June 13, 2024 13	2024 December December 28 3.80%	3.80%

91	Guaranteed	Industrial Bank Co., Ltd. Shenzhen Huanggang Sub-branch	Bank	10,000,000.00	2023 Year October 24 2023	2024 Year October 24	3.80%
92	Guaranteed	China Everbright Bank Co., Ltd. Shenzhen Buji Branch	Bank	2,500,000.00	2024 Year October 15 2024	2025 Year October 14	3.80%
93	Mortgage	Ping An International Financial Leasing Co., Ltd.	Non-bank Financial Institution	10,000,000.00	2024 Year November 29 2026	2026 Year November 29	5.20%
94	Guaranteed	China Everbright Bank Co., Ltd. Shenzhen Buji Branch	Bank	1,300,000.00	2023 Year October 13 2023	2024 Year October 12	3.80%
95	Mortgage	Zhongxin International Financial Leasing Co., Ltd.	Non-bank Financial Institution	5,500,000.00	September 9, 2022 9, 2022	August 2024 September 9	10.00%
96	Guarantee	China Everbright Bank Co., Ltd.	Bank	1,300,000.00	September 2023	September 2024	3.80%

		Shenzhen Buji Branch Branch			Month 15	September 14	
97	Guarantee	China Everbright Bank Co., Ltd. Shenzhen Buji Branch	Bank	2,500,000.00	2024 Year November 14 2024	2025 Year November 13	3.80%
Total	-	-	-	1,815,805,761.99	-	-	-

VI. Equity Distribution

(1) Profit Distribution Policy During the Reporting Period, Particularly the Formulation, Implementation, or Adjustment of the Cash Dividend Policy

√ **Applicable** ☐ **Not Applicable**

Pursuant to Article 156 of the Articles of Association governing the Company's profit distribution:

The Company shall distribute dividends in cash, stock, a combination of cash and stock, or other forms permitted by laws and regulations. When the Company meets the conditions for cash dividends, it shall prioritize cash dividends for profit distribution. The Company primarily adopts a cash dividend policy. Specifically, when the Company achieves profits in a given year and has distributable profits after legally offsetting losses and setting aside statutory and discretionary reserves, it shall distribute cash dividends. Profit distribution shall not exceed the scope of cumulative distributable profits. In the absence of major investment plans or significant cash expenditures, the amount distributed in cash in a single year shall not be less than 30% of the distributable profits realized in that year.

The Company incurred significant losses in 2023 and generated negative net cash flow from operating activities. Considering the capital requirements for major investment projects such as overseas factory construction, and meeting the conditions for not distributing profits as stipulated in the Articles of Association, the Company's decision not to implement the 2023 annual equity distribution complies with the relevant provisions of the Articles of Associa

and meeting the conditions for not distributing profits as stipulated in the Articles of Association, the Company's decision not to implement an equity distribution for the 2023 fiscal year complies with the relevant provisions of the Articles of Association.

(II) Special Explanation on Cash Dividend Policy

Compliance with Articles of Association or Shareholders' Meeting Resolutions	√ Yes ☐ No
Are the dividend standards and ratios clearly defined?	√ Yes ☐ No
Are the relevant decision-making procedures and mechanisms complete?	√ Yes ☐ No
Do minority shareholders have sufficient opportunities to express their opinions and demands, and are their legitimate rights and interests adequately protected?	√ Yes ☐ No
When adjusting or changing the cash dividend policy, are the conditions and procedures compliant and transparent?	☐ Yes ☐ No √ Not applicable

(III) Annual Equity Distribution Plan

√ Applicable ☐ Not applicable

Unit: RMB per share

Item	Cash Dividend Per 10 Shares (Including Tax)	Number of bonus shares per 10 shares	Number of shares issued per 10 shares
Annual Distribution Proposal	5	0	4

Does the equity distribution plan for the reporting period comply with the company's articles of association and relevant laws and regulations?

√ Yes ☐ No

Situations where the company reported profits and positive retained earnings during the reporting period but did not propose a cash dividend distribution plan

☐ Applicable √ Not applicable

(IV) Circumstances where profit distribution and capitalization of reserves into share capital were not fully executed during the reporting period

□Applicable √Not applicable

Section 8 Information on Directors, Supervisors, Senior Management Personnel, and Employees

I. Information on Directors, Supervisors, and Senior Management Personnel

(1) Basic Information

Name	Position	Gender	Date of Birth	Term of Office		Annual Pre-Tax Compensation (RMB 10,000)	Whether Compensation Received from Related Parties of the Company from the company's related parties
				Commencement Date	End Date		
Shao Min	Chairman	Male	March 1983	March 2024 29	December 2024 20	0	Yes
	Director			December 20, 2021 20	December 20, 2024 20		
Mo Wenwei	Former Chairman	Male	May 1968	December 20, 2021 20	January 5, 2024	0	No
Guo Long	Director and General Manager	Male	November 1965	December 2021 20	December 2024 20th	186.46	No
Shen Yun'an	Director	Male	March 1974	December 20, 2021 20	December 2024 20th	74.96	No
	Former Chief Financial Officer			December 20, 2021 20	November 2024 23		
Zhang Tao	Former Director	Male	May 1976	December 2021 20	May 10, 2024 Day	0	Yes
Yang Qingxin	Director	Male	January 1966	December 20, 2021 20	December 2024 20th	112.57	Yes
Wu Zhangjie	Director	Male	March 1966	May 18, 2024 18	December 2024 20	0	Yes
Gao Jian	Director	Male	April 1978	May 2024 18th	December 2024 20th	0	Yes
Yu Qingjiao	Independent Director	Male	July 1970	December 20, 2021 December 20	December 2024 20th	10:00	No
Deng Lu	Independent Director	Male	September 1979	December 2021 December 20	December 2024 20th	10:00	No
Zheng Honghe	Independent Director	Male	July 1967	December 2021 December 20	December 2024 20th	10:00	No
Tang Yufeng	Chairman of the Supervisory Board	Male	February 1982	December 2021 December 20	December 2024 20	0	Yes
Cheng Jianjun	Supervisor	Male	August 1975	December 20, 2021 December 20	December 2024 20	0	Yes

Jiang Ping	Supervisor	Female	January 1991	December 20, 2021 20th	December 2024 20th	32.87	No

Wang Shengbing	Executive Vice President	Male	August 1972	December 2021 December 20	December 2024 20th	150.03	No
Zeng Tao	Deputy General Manager	Male	January 1966	December 2021 December 20	December 2024 20th	147.19	No
Feng Zhengfa	Deputy General Manager	Male	March 1982	December 2021 December 20	December 2024 20th	103.59	No
Zhao Jingchun	Chief Financial Officer	Male	May 1977	November 2024 26	December 2024 20	30.00	No
Wang Yue	Deputy General Manager	Male	August 1976	November 2024 26	December 2024 20	116.31	No
Guo Jian	Board Secretary	Male	December 1985	November 2024 26	December 2024 20th	3.29	No
Ou Zhichun	Former Board Secretary	Male	January 1980	December 2021 20	November 2024 23rd	67.44	No
Number of Board Members:					9		
Number of Board of Supervisors Members:					3		
Number of Senior Management Personnel:					7		

Relationships between Directors, Supervisors, Senior Management, and Shareholders:

There are no related party relationships among directors, supervisors, and senior management. Chairman Shao Min and directors Shen Yun'an, Wu Zhangjie, and Gao Jian hold positions in enterprises affiliated with the controlling shareholder.

(2) Shareholding Details

Unit: Shares

Name	Position	Number of Common Shares Held at Beginning of Period	Change in Quantity	Number of Common Shares Held at End of Period	Percentage of Common Stock Owned at End of Period	Stock options held at end of period Number	Number of Restricted Stock Units Granted at End of Period Quantity	Number of unrestricted shares held at end of period
Guo Long	Director and General Manager	1,367,000	0	1,367,000	1.0511%	0	0	341,750
Yang Qingxin	Director	68,600	0	68,600	0.0527%	0	0	17,150
Shen Yun'an	Director	311,300	0	311,300	0.2393%	0	0	77,825
Wang Shengbing	Executive Vice President	342,837	-42,854	299,983	0.2307%	0	0	42,855
Zeng Tao	Deputy General Manager	357,421	0	357,421	0.2748%	0	0	89,355
Feng Zhengfa	Deputy General Manager	23,600	0	23,600	0.0181%	0	0	5,900
(III) Changes Total	-	2,470,758	-	2,427,904	1.8667%	0	0	574,835

Information Statistics	Has there been a change in the Chairman?	√ Yes □ No
	Change in General Manager	□ Yes √ No

	Has there been a change in the Board Secretary?	√ Yes □ No
	Has there been a change in the Chief Financial Officer?	√ Yes □ No
	Has there been a change in the independent director?	□ Yes √ No

Detailed information on changes in directors, supervisors, and senior management during the reporting period:

√ Applicable □ Not applicable

Name	Initial Position	Type of Change	Position at End of Period	Reason for Change	Remarks
Mo Wenwei	Chairman	Resignation	None	Personal Reasons	-
Zhang Tao	Director	Resignation	None	Personal reasons	-
Shen Yun'an	Director, Chief Financial Officer	Resignation	Director	Job Transfer	-
Ou Zhichun	Board Secretary	Resignation	None	Personal Reasons	-
Shao Min	Director	Newly Appointed	Chairman	Board of Directors Election	-
Wu Zhangjie	None	Newly Appointed	Director	Recommended by Controlling Shareholder	-
Gao Jian	None	Newly Appointed	Director	Recommended by Controlling Shareholder	-
Zhao Jingchun	None	Newly Appointed	Chief Financial Officer	Appointed by the Board of Directors	-
Wang Yue	None	Newly Appointed	Vice President	Appointed by the Board of Directors	-
Guo Jian	None	Newly Appointed	Board Secretary	Appointed by the Board of Directors	-

Professional Background and Primary Work Experience of Newly Appointed Directors, Supervisors, and Senior Management During the Reporting Period:

√ Applicable □ Not Applicable

Wu Zhangjie, male, born March 1966, Han ethnicity, member of the Communist Party of China, native of Anyue, Sichuan Province, no permanent residency abroad, bachelor's degree in Business Administration from Chengdu University of Technology.Previously served as Financial Accountant, Section Chief, Sales Manager, Director of Management Department, Regional General Manager, Key Account Manager, and Director of Commercial Returned Equipment Department at Sichuan Changhong Electric Co., Ltd.; Director of Sichuan Changhong Technical Service Center; Deputy General Manager and General Manager of Sichuan Kuaiyidian Electrical Appliance Service Chain Co., Ltd. Currently serves as Director and General Manager of Sichuan Changhong Gerun Environmental Protection Technology Co., Ltd.

Gao Jian, male, born April 1978, Han ethnicity, member of the Communist Party of China, native of Renshou, Sichuan Province, no permanent residency abroad, holds a doctoral degree in Chemical Engineering and Technology from Tsinghua University.Sichuan Provincial Science and Technology Expert; Adjunct Professor at University of Electronic Science and Technology of China, Central South University, and Sichuan University. Formerly served as Lecturer and Associate Researcher at Tsinghua University. Currently Chief Scientist of New Energy Materials Laboratory at Sichuan Changhong Electronics Holding Group Co., Ltd., and Chairman and General Manager of Sichuan Changhong New Materials Technology Co., Ltd.

Zhao Jingchun, male, born May 1977, Han ethnicity, member of the Communist Party of China, native of Baoding, Hebei Province, holds no permanent residency abroad, Master's degree in Business Administration from Sichuan University, Certified Australian Accountant, Senior Accountant, Senior Economist.Previously served as Chief Accountant at Sichuan Changhong Electric Co., Ltd. Yichun Branch, Finance Manager at Kunming Branch, Finance Director for Yunnan-Guizhou Region, Tax and Insurance Supervisor at Finance Department of Sichuan Changhong Electric Co., Ltd., Finance Director at Changhong Electric Australia Co., Ltd., Finance Director at Huayi Compressor Barcelona Co., Ltd., Deputy Director of Finance Department at Sichuan Changhong Electric Co., Ltd., General Manager of Changhong Hong Kong Trading Co., Ltd., and Deputy Director of Finance Department at Sichuan Changhong Electronics Holding Group Co., Ltd.

Wang Yue, male, born August 1976, Han ethnicity, member of the Communist Party of China, native of Quxian County, Sichuan Province, no permanent residency abroad, bachelor's degree in Civil Engineering from Xi'an Jiaotong University.Previously served as Finance Supervisor at Sichuan Changhong Electric Co., Ltd. overseas branches, Finance Supervisor and Head of Finance Department at Sichuan Changhong New Energy Technology Co., Ltd. Currently serves as Party Branch Secretary, Director, and General Manager of Zhejiang Changhong Feishi Electric Appliance Industry Co., Ltd., and Executive Director of Changhong New Energy (Thailand) Co., Ltd.

Guo Jian, male, born December 1985, Han ethnicity, native of Dingxiang, Shanxi Province, holds no permanent residency abroad, holds a bachelor's degree in Accounting and Law from Chongqing University of Posts and Telecommunications.Previously served as Cashier, Senior Accountant, and Manager of the Sub-center at the Financial Cloud Center of Sichuan Changhong Electric Co., Ltd. Market Service Center; Operations Manager and Comprehensive Supervisor of the Finance Department at Sichuan Changhong Air Conditioning Co., Ltd. Fujian Center; Director of Operations Management Department, Deputy Director of Finance Department, and Director of Warehouse Management Department at Zhongshan Changhong Electric Co., Ltd.; Manager of Asset Management Department at Sichuan Changhong Electronics Holding Group Co., Ltd.; and Senior Manager of Mergers and Acquisitions at the Capital Operations Department of Sichuan Changhong Electronics Holding Group Co., Ltd.

Decision-making procedures, basis for determining compensation, and actual payment details for directors, supervisors, and senior management:

1. Independent Directors: Fixed independent director allowance. The allowance standard, determined by the shareholders' meeting, is RMB 100,000 per person per year (pre-tax)

2. Directors and Supervisors: Directors and supervisors holding positions other than director or supervisor within the company shall be compensated according to the remuneration and performance management rules applicable to their respective positions and shall not receive additional director or supervisor allowances. Shareholder-appointed directors and supervisors who do not hold any operational positions within the company shall not receive any remuneration or subsidies from the company.

3. Senior Management: Implemented under an annual salary system, their compensation comprises a base annual salary and a performance-based annual salary. Annual salary standards are determined through comprehensive evaluation of position level, educational background, professional experience, years of service, job responsibilities, and industry compensation levels. The base annual salary is disbursed monthly based on attendance records. The performance-based annual salary is assessed against annual operational targets, determined by the benefits achieved during the cycle and the performance of senior management in fulfilling their duties.

During the reporting period, the total compensation for the Company's directors, supervisors, and senior management amounted to RMB 10,547,100.

(IV) Equity Incentive Arrangements

☐ Applicable √ Not Applicable

II. Employee Information

(1) Basic Information on Current Employees (Company and Controlled Subsidiaries)

Classified by Job Nature	Initial Headcount	New Hires This Period	Current Period Decrease	Ending Headcount
Management Personnel	56	17	11	62
Production Personnel	2,014	599	736	1,877
Salesperson	143	12	12	143
Technical Staff	447	36	64	419
Financial Personnel	44	9	9	44
Total Employees	2,704	673	832	2,545

By educational attainment	Beginning of Term	End-of-period enrollment
Doctoral	1	0
Master's	21	36
Bachelor's Degree	287	364
Associate degree and below	2,395	2,145
Total Employees	2,704	2,545

Employee compensation policies, training programs, and the number of retired employees whose expenses are covered by the company:

1. Employee Compensation Policy

The company has established the "Compensation and Performance Management Measures," adhering to the compensation philosophy of "reflecting job value and performance orientation." It upholds the principles of equal pay for equal work and fairness and reasonableness. Employee compensation consists of base salary and performance-based pay, linked to job value, individual capability, work performance, and skill level. The company continuously refines its compensation policies to provide employees with competitive compensation.

2. Employee Training

Aiming to enhance employees' professional skills and competencies, the company has established an integrated internal and external training system. Aligned with annual business objectives and plans, the Annual Training Plan is designed to promote business development and employee capability growth, delivering practical, efficient, and targeted training programs.

3. Number of Retired Employees for Whom the Company Bears Expenses

As of the reporting period, the company had a cumulative total of 34 retired employees. During the reporting period, the company incurred expenses totaling RMB 117,687 for retired employees.

Labor outsourcing status:

√ Applicable ☐ Not applicable

During the reporting period, to address peak season order labor demands and sudden staffing needs while better ensuring production requirements, the Company collaborated with labor outsourcing providers. This approach alleviated temporary staffing demands by increasing labor outsourcing.

(2) Basic Information and Changes Regarding Core Personnel (Company and Controlled Subsidiaries)

☐ Applicable √ Not Applicable

III. Post-Reporting Period Updates

☐ Applicable √ Not Applicable

Section IX Industry Information

Voluntary Disclosure

☐ Yes √ No

Section 10 Corporate Governance, Internal Controls, and Investor Protection

Item	Yes or No
Did the company establish new corporate governance systems during the year?	☐ Yes √ No
Does the investment institution appoint directors?	☐ Yes √ No
Does the Board of Supervisors have any objections to the supervisory matters for this year?	☐ Yes √ No
Has management introduced professional managers?	☐ Yes √ No
Have any significant deficiencies been identified this year in the accounting system, financial management, risk control, or other major internal management systems?	☐ Yes √ No
Has a system for holding accountable those responsible for material errors in the annual report been established?	√ Yes ☐ No

I. Corporate Governance

(1) Systems and Evaluation

1. Basic Status of Corporate Governance

During the reporting period, the Company strictly adhered to the requirements of the Company Law, Securities Law, Beijing Stock Exchange Listing Rules (Trial), and relevant laws and regulations. It continuously improved its corporate governance structure, established a modern enterprise system, and implemented an effective internal control management system to achieve standardized operations.The convening, holding, and voting procedures of the Company's shareholders' meetings, board of directors, and board of supervisors complied with relevant laws and regulations. Major decisions were made in accordance with prescribed procedures. During the reporting period, the Company's relevant bodies and personnel operated in accordance with the law, with no instances of violations or breaches of regulations occurring. They effectively fulfilled their duties and obligations.

2. Assessment of Whether the Corporate Governance Mechanism Provides Appropriate Protection and Equal Rights to All Shareholders

Through continuous refinement and effective operation of governance mechanisms, the company ensures all shareholders, particularly minority shareholders, enjoy equal standing and can fully exercise their rights. During the reporting period, the company convened one annual shareholders' meeting and two extraordinary shareholders' meetings. Meeting convening and conduct procedures complied with the Articles of Association and Rules of Procedure for Shareholders Meetings, safeguarding shareholders' full exercise of voting rights.Proposal deliberation and voting followed statutory procedures. For major matters affecting minority shareholders' interests, online voting was provided, and separate tallying and disclosure of minority shareholders' votes ensured their full voice.

3. Assessment Opinion on Whether Major Company Decisions Followed Prescribed Procedures

During the reporting period, all major decisions were made in accordance with the Articles of Association and relevant internal control systems, having been discussed and approved through the Company's "Three Meetings" . In matters such as significant financing and related-party transactions, standardized procedures were followed to prevent any violations of laws or regulations. As of the end of the reporting period, the Company's major decision-making processes functioned effectively, maximizing the promotion of standardized operations.

4. Amendments to the Articles of Association

Based on actual circumstances, the Company changed its legal representative from the Chairman to the General Manager and made corresponding amendments to the Articles of Association. For details, please refer to the "Announcement on Proposed Revision of the Articles of Association" (Announcement No.: 2024-034) disclosed by the Company on April 24, 2024.

(2) Operation of the Three Meetings

1. Meetings Held

Meeting Type	Meetings Held During the Reporting Period	Major Matters Reviewed (Brief Description)

	Number of Meetings Held	
Board of Directors	12	(1) On March 5, 2024, the Company convened the 24th Meeting of the Third Board of Directors, Review and approve the following proposals: "Proposal on Projected Routine Related-Party Transactions for 2024," "Proposal on Establishing a Factory in Thailand," and "Proposal on Convening the First Extraordinary General Meeting of Shareholders in 2024." (2) On March 29, 2024, the Company convened the 25th Meeting of the Third Board of Directors, which reviewed and approved the following proposals: "Proposal on Electing the Chairman of the Third Board of Directors of the Company," "Proposal on Adjusting the Composition of Specialized Committees of the Third Board of Directors." (2) On March 29, 2024, the Company convened the Twenty-Fifth Meeting of the Third Board of Directors, which reviewed and approved four proposals: "Proposal on Electing the Chairman of the Third Board of Directors," "Proposal on Adjusting Members of the Third Board's Specialized Committees," "Proposal on Applying for Credit Lines and Financing from the Sichuan Branch of China Development Bank for 2024," and others. Bank Sichuan Branch for Credit Line and Financing for 2024." (3) On April 23, 2024, the Company convened the Twenty-sixth Meeting of the Third Board of Directors, which reviewed and approved 20 items including the "2023 Annual Board of Directors Work Report," "2023 Annual Report and Abstract," and the 2023 Annual Work Report of the Management Team. (4) On April 26, 2024, the Company convened the 27th Meeting of the Third Board of Directors, which reviewed and approved the "First Quarter Report for 2024." (5) On May 10, 2024, the Company convened the 28th Meeting of the Third Board of Directors, reviewing and approving the "Proposal on Nominating Mr. Wu Zhangjie as a Candidate for Company Director" and the "Proposal on Nominating Mr. Gao Jian as a Candidate for Company Director." (6) On June 6, 2024, the Company convened the 29th Meeting of the Third Board of Directors, which reviewed and approved the "Proposal on Hunan Juhuiyuan Investment's Expansion of the Chinese-Shaped Polymer Lithium Battery Production Line." (7) On August 15, 2024, the Company convened the 30th Meeting of the Third Board of Directors, which reviewed and approved the "2024 Semi-Annual Report and Abstract" and the "Continuous Risk Assessment Report on Sichuan Changhong Group Financial Co., Ltd." (8) On September 20, 2024, the Company convened the 31st Meeting of the Third Board of Directors, which reviewed and approved the "Proposal on Increasing the Estimated Amount of Routine Related-Party Transactions for 2024," the "Proposal on Increasing Credit Limits for Customers," and the "Proposal on Convening the Second Extraordinary Shareholders' Meeting of 2024." Proposal on Increasing Credit Limits for Customers, and Proposal on Convening the Second Extraordinary Shareholders' Meeting of 2024. (9) On October 25, 2024, the Company convened the 32nd Meeting of the Third Board of Directors, which reviewed and approved the "Third Quarter Report for 2024." (10) On November 11, 2024, the Company convened the 33rd Meeting of the Third Board of Directors, deliberating and approving the "Proposal on Matters Related to Capital Increase and Share Expansion of Juyuan" and the "Proposal on Applying for an Increase in the Total Sales Credit Allocation for 2024." (11) On November 26, 2024, the Company convened the 34th Meeting of the Third Board of Directors, which reviewed and approved the following resolutions: "On Appointing the Company's Chief Financial Officer," "On Appointing the Company's Deputy General Manager," and "On Appointing the Company's Board Secretary." (12) On December 23, 2024, the Company convened the 35th Meeting of the Third Board of Directors and reviewed and approved the "Proposal on Applying for Credit Facilities and Financing from Bank of China Mianyang Branch."

Supervisory Committee	6	(1) On March 5, 2024, the Company convened the Eighteenth Meeting of the Third Supervisory Board, and approved the "Proposal on Estimating Routine Related-Party Transactions for 2024." (2) On April 23, 2024, the Company convened the 19th Meeting of the Third Supervisory Board, which reviewed and approved 11 proposals including the "2023 Annual Supervisory Board Work Report" and the "2023 Annual Report and Abstract." (3) On April 26, 2024, the Company convened the 20th Meeting of the Third Supervisory Board, which reviewed and approved the "Proposal on Estimated Routine Related-Party Transactions for 2024." The Board of Directors reviewed and approved the "First Quarter Report for 2024."

		(4) On August 15, 2024, the Company convened the Twenty-First Meeting of the Third Supervisory Board, which reviewed and approved the "2024 Semi-Annual Report and Abstract" and the "Report on the Continuous Risk Assessment of Sichuan Changhong Group Financial Co., Ltd." (5) On September 20, 2024, the Company convened the Twenty-Second Meeting of the Third Supervisory Board, to deliberate and approve the "Proposal on Adding New Forecasts for Routine Related-Party Transactions in 2024." (6) On October 25, 2024, the Company convened the 23rd Meeting of the Third Supervisory Board, which reviewed and approved the "Third Quarter Report for 2024."
Shareholders' Meeting	3	(1) On March 21, 2024, the Company convened its First Extraordinary Shareholders' Meeting of 2024, which reviewed and approved the "Proposal on Estimated Routine Related-Party Transactions for 2024." (2) On May 24, 2024, the Company convened its 2023 Annual General Meeting of Shareholders, which reviewed and approved 16 proposals including the "2023 Annual Report and Summary," "2023 Board of Directors Work Report," and "2023 Board of Supervisors Work Report." (3) On October 9, 2024, the Company convened its Second Extraordinary General Meeting of Shareholders in 2024, which reviewed and approved the "Proposal on the New 2024 Forecast for Routine Related-Party Transactions."

2. Assessment Opinion on Whether the Convening, Holding, and Voting Procedures of the Three Meetings Comply with Legal and Regulatory Requirements

During the reporting period, the convening of meetings, proposal deliberation, notice periods, convening procedures, proxy authorizations, voting, and resolutions of the Company's three meetings complied with the provisions of laws and regulations such as the Company Law, the Articles of Association, and relevant rules of procedure. Shareholders, directors, and supervisors were able to attend relevant meetings as required and fulfill their respective rights and obligations. The resolutions of the three meetings were complete in content and met all essential requirements. Meeting resolutions were duly signed, and all resolutions of the three meetings were implemented.

(3) Corporate Governance Improvements

During the reporting period, the Company continuously standardized its corporate governance structure and optimized relevant rules and regulations. The Shareholders' Meeting, Board of Directors, Board of Supervisors, and management all strictly fulfilled their respective rights and obligations in accordance with the requirements of laws, regulations, and normative documents such as the Company Law and the Articles of Association. Major production and operational decisions, investment decisions, and financial decisions were all made in accordance with the procedures and rules stipulated in the Articles of Association and relevant internal control systems.

(IV) Investor Relations Management

The Company strictly adheres to relevant laws and regulations, as well as the provisions of the Information Disclosure Management System and Investor Relations Management System, to strengthen information disclosure and investor relations management. This ensures all investors have fair access to Company information. Strict confidentiality procedures are implemented for material undisclosed inside information, and the scope of individuals with access to such information is controlled. Concurrently, the Company maintains thorough communication with investors through dedicated telephone lines and on-site exchanges.Furthermore, the Company proactively and promptly maintains contact and communication with regulatory authorities to accurately grasp the regulatory requirements for information disclosure. This further enhances the Company's transparency and the quality of its information disclosure, thereby better safeguarding the interests of all investors.

II. Internal Control

(1) Performance of Duties by Board Specialized Committees During the Reporting Period

Since their establishment, the Company's Board of Directors' specialized committees have operated effectively. Members of each committee have diligently fulfilled their responsibilities, providing opinions on matters requiring their input in accordance with the law. This has significantly enhanced the quality of the Board's work, mitigated operational risks, and effectively safeguarded the legitimate rights and interests of shareholders.

Is the number of independent directors not less than one-third of the total number of board members?

√ Yes □ No

Are the following specialized committees and internal audit **departments established?** Audit Committee √ Yes □ No Nomination Committee √ Yes □ No Compensation and Evaluation Committee √ Yes □ No Strategy Committee √ Yes □ No

Internal Audit Department √ Yes □ No

(II) Performance of Duties by Independent Directors During the Reporting Period

Number of Independent Directors Name	Concurrently serving as a director of a listed company Number of Companies (Including this meeting) Company)	Continuous tenure at the company (years)	Board Meetings Attended Number of Meetings	Board Meetings Attended Method	Shareholders Present Number of Meetings	Shareholders Present Method	On-site working time (Days)
Deng Lu	3	4	12	Field and Communications	0	-	17
Yu Qingjiao	3	4	12	On-site and Communications	1	Field and Communications	16
Zheng Honghe	3	3	12	On-site and Communications	1	Field and Communications	16

Did the independent directors raise any objections regarding the company's matters?

□ Yes √ No

Whether the independent directors' relevant proposals were adopted:

√ Yes □ No

During the reporting period, the independent directors strictly adhered to the Company Law, Securities Law, and other relevant laws and regulations, as well as the provisions of the Articles of Association. They conscientiously, faithfully, diligently, andand conscientiously exercised the rights granted by the company. They promptly obtained information on the company's production and operations, monitored the company's development status, carefully reviewed relevant board proposals, and issued independent opinions on such proposals in accordance with relevant laws and regulations. They fully leveraged the independence and expertise of independent directors, safeguarding the legitimate rights and interests of the company and its shareholders, particularly minority shareholders.

Qualifications of Independent Directors

The incumbent independent directors hold no positions within the company other than that of independent director. They also hold no positions with the company's controlling shareholders, actual controllers, or their affiliated enterprises. There exist no conflicts of interest or other relationships that may impair their ability to make independent and objective judgments with respect to the company, its controlling shareholders, actual controllers, or their affiliated enterprises. They meet the requirements for independence set forth in the "Measures for the Administration of Independent Directors of Listed Companies," the "Beijing Stock Exchange Continuous Supervision Guidelines No. 1 for Listed Companies—Independent Directors," and the relevant provisions concerning the independence of independent directors in the Company's Articles of Association.and the relevant requirements regarding the independence of independent directors in the Company's Articles of Association.

(3) Opinion of the Board of Supervisors on Supervision Matters During the Year

Upon review, the Board of Supervisors concludes that during the reporting period, the Company has established a relatively sound internal control system in accordance with relevant national laws, regulations, and the Company's Articles of Association, and its decision-making procedures comply with applicable requirements. In performing their duties, the Company's directors, general manager, and other senior management have not engaged in any conduct that violates laws, regulations, the Articles of Association, or otherwise harms the interests of the Company and its shareholders. The Board of Supervisors raises no objections regarding the supervisory matters for the current fiscal year.

(IV) Statement on the Company's Independence and Autonomous Management Capabilities

The Company maintains independence from its controlling shareholder and actual controller in terms of business operations, personnel, assets, organizational structure, and finances. During the reporting period, the Company

the controlling shareholder and actual controller did not engage in any activities that affected the Company's independence. Specific details are as follows:

1. Business Independence: The Company possesses an independent and complete business system, enabling it to operate independently in the market, conduct independent accounting and decision-making, and independently bear responsibilities and risks. It has not been subject to interference or control by its controlling shareholder, nor has its operational autonomy been compromised due to related party relationships with the controlling shareholder or other enterprises under its control.

2. Personnel Independence: The Company's directors, supervisors, and other senior management personnel are all lawfully appointed in accordance with the Company Law and the Articles of Association. Senior management personnel such as the General Manager, Deputy General Managers, Chief Financial Officer, and Board Secretary do not hold any positions other than directors or supervisors in the controlling shareholder, actual controller, or other enterprises controlled by them, nor do they receive remuneration from the controlling shareholder, actual controller, or other enterprises controlled by them.The company's financial personnel do not hold concurrent positions with the controlling shareholder, actual controller, or other enterprises under their control. The company's employees are independent from shareholders or other related parties, and independent labor, personnel, and compensation management systems have been established and implemented.

3. Asset Integrity and Independence: The company's operating assets are independent, complete, and clearly owned. It legally possesses ownership and usage rights to properties, equipment, trademarks, and copyrights related to its operations. Assets remain intact with no instances of occupation by the controlling shareholder, actual controller, or other enterprises under their control.

4. Institutional Independence: The company has established independent organizational structures that comply with joint-stock company requirements and meet business development needs. The shareholders' meeting, board of directors, and board of supervisors operate in accordance with regulations. The establishment, operation, and management of all organizational structures are independent from the controlling shareholder, actual controller, and other enterprises under their control.

5. Financial Independence: The company has established an independent financial accounting system with standardized financial accounting practices. It maintains separate bank accounts, independently files tax returns and fulfills tax obligations in accordance with the law, and does not share bank accounts with controlling shareholders, actual controllers, or other enterprises under their control.

(V) Development and Implementation of Internal Control Systems

In accordance with the Company Law, the Articles of Association, and relevant national laws and regulations, the Company has developed internal control systems covering all aspects of its business activities and internal management, including accounting systems, financial management, and risk control, tailored to its specific circumstances. These systems are free from material deficiencies in completeness and reasonableness. During the Company's operations, the internal control systems are effectively implemented, providing efficient control over operational risks. Concurrently, the Company will continuously update and refine relevant systems based on its development to ensure healthy and stable operations.

(VI) Annual Report Error Accountability System

The Company has established an accountability system for material errors in annual reports. During the reporting period, the Company did not experience any material accounting error corrections or material omissions of information. The Company's information disclosure officers and management strictly adhered to the aforementioned system, with satisfactory implementation.

(VII) Evaluation Mechanism for Senior Management During the Reporting Period, and Establishment and Implementation of Incentive Mechanisms

√ Applicable ☐ Not Applicable

The Company has established and continuously improved performance evaluation standards and incentive-constraint mechanisms for senior management personnel. It has formulated corresponding assessment management systems and signed business target responsibility agreements. Senior management personnel are evaluated based on the Company's overall operating performance and their individual annual target achievement. During the reporting period, the Company strictly conducted performance evaluations of senior management personnel in accordance with relevant assessment systems.

III. Investor Protection

(1) Implementation of Cumulative Voting and Online Voting Arrangements at Shareholders' Meetings

√ Applicable ☐ Not Applicable

During the reporting period, the Company convened three shareholder meetings. To facilitate investor participation, online voting was provided for all three meetings.At the 2023 Annual Shareholders' Meeting held on May 24, 2024, the cumulative voting system was adopted for deliberating both the "Proposal on Nominating Mr. Wu Zhangjie as a Candidate for Company Director" and the "Proposal on Nominating Mr. Gao Jian as a Candidate for Company Director."

(2) Shares with Special Voting Rights

☐ Applicable √ Not Applicable

(III) Investor Relations Arrangements

√ Applicable ☐ Not Applicable

Investor relations management is conducted under the leadership of the Company's Board of Directors. The Company's Board Secretary serves as the responsible officer for investor relations management, overseeing all aspects of the Company's investor relations activities. The Board Office functions as the administrative department for investor relations, handling daily management responsibilities. It serves as the communication channel between investors and the Company, with primary duties including but not limited to answering incoming calls, recording and addressing inquiries, and managing investor visits.

The Company will strictly comply with the information disclosure requirements of the China Securities Regulatory Commission (CSRC) and the Beijing Stock Exchange to ensure investors' right to know. To enhance the Company's investor communication system, further strengthen investor protection mechanisms, and improve the investor service awareness of relevant management personnel, the Company will continue to earnestly and extensively solicit investors' opinions and suggestions. This will elevate the quality and efficiency of communication between the Company and investors, foster positive interaction, and effectively enhance investors' comprehensive understanding of the Company through multiple channels and avenues, thereby securing full market recognition of its value.

Section XI Financial Accounting Reports

I. Audit Report

Audited	Yes	
Audit Opinion	Unqualified Opinion	
Special Paragraphs in the Audit Report	√ None ☐ Emphasis of Matter Paragraph ☐ Other Matters Paragraph ☐Paragraph on Material Uncertainty from Going Concern ☐ Statement of Other Information Contains Other Information Regarding Uncorrected Material Misstatement	
Audit Report Number	Tianjian Audit (2025) No. 8-293	
Name of Audit Firm	Tianjian Certified Public Accountants LLP	
Audit Firm Address	128 Xixi Road, Lingyin Subdistrict, Xihu District, Hangzhou City, Zhejiang Province	
Audit Report Date	April 17, 2025	
Signature of Certified Public Accountant and Consecutive Years of Signing	Zhao Xingming	Zeng Lijuan
	1 year	1 year
Has the accounting firm changed?	Yes	
Continuous service period with the accounting firm	1 year	
Audit Fee Paid to the Accounting Firm	680,000 yuan	

Audit Audit Report Report

Tianjian Audit [2025] No. 8-293

To All Shareholders of Sichuan Changhong New Energy Technology Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of Sichuan Changhong New Energy Technology Co., Ltd. (hereinafter referred to as Changhong Energy Company), which comprise the consolidated and parent company balance sheets as of December 31, 2024, the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in equity for the year ended December 31, 202

December 31, 2024, the consolidated and parent company balance sheets, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, the consolidated and parent company statements of changes in equity for the year ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the Enterprise Accounting Standards and fairly present the consolidated and parent company financial position of Changhong Energy Company as of December 31, 2024, and the consolidated and parent company results of operations and cash flows for the year then ended.

II. Basis for the Audit Opinion

We conducted our audit in accordance with Chinese Auditing Standards. The section "Responsibilities of the in the audit report further describes our responsibilities under these standards. In accordance with the Chinese Code of Ethics for Certified Public Accountants, we are independent of Changhong Energy Company and have fulfilled our other ethical responsibilities. We believe that the evidence we obtained is suffici

" further describes our responsibilities under these standards. In accordance with the Chinese Code of Ethics for Certified Public Accountants, we are independent of Changhong Energy Company and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and

appropriate, and provides a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters are considered in the context of our audit of the financial statements as a whole and our formation of an audit opinion. We do not express a separate opinion on these matters.

(1) Revenue Recognition

1. Description of Matters

For related disclosures, please refer to Notes 3(22) and 5(2)1 to the financial statements.

Changhong Energy Company's operating revenue primarily stems from the research, development, production, and sales of alkaline zinc-manganese batteries and lithium-ion batteries.In 2024, Changhong Energy recorded operating revenue of RMB 3.671 billion.Within this, the alkaline zinc-manganese battery business generated RMB 1.668 billion in revenue, accounting for 45.45% of total operating revenue. The lithium-ion battery business contributed RMB 1.639 billion, representing 44.65% of total operating revenue.

As operating revenue is one of Changhong Energy Company's key performance indicators, there exists an inherent risk that the management of Changhong Energy Company (hereinafter referred to as "Management") may improperly recognize revenue to achieve specific targets or expectations. Therefore, we have identified revenue recognition as a key audit matter.

2. Audit Response

Regarding revenue recognition, the audit procedures we performed primarily included:

(1) Understanding key internal controls related to revenue recognition, evaluating the design of these controls, determining whether they are implemented, and testing the operating effectiveness of relevant internal controls;

(2) Reviewing sales contracts to understand key terms or conditions and evaluating the appropriateness of the revenue recognition method;

(3) Performing analytical procedures on operating revenue and gross profit margin by month, product, customer, etc., to identify significant or unusual fluctuations and determine their causes;

(4) For domestic sales revenue, selecting items to examine supporting documentation, including sales contracts, purchase orders, sales invoices, goods issue slips, and customer delivery receipts; For export revenue, obtaining electronic port information and reconciling it with accounting records, then selecting items to examine supporting documentation, including sales contracts, export customs declarations, and sales invoices;

(5) Combined with accounts receivable confirmation, conduct selective confirmation of sales amounts; (6) Perform cut-off tests to verify whether revenue is recognized in the appropriate period;

(7) Verify that information related to operating revenue is appropriately presented in the financial statements. (II) Inventory Impairment

1. Description of Matters

For related disclosures, refer to Notes 3(12) and 5(1)9 to the financial statements.

As of December 31, 2024, Changhong Energy Company's inventory carrying amount was RMB 678.1944 million, with an allowance for impairment of RMB 30.6668 million and a carrying value of RMB 647.5276 million.

RMB 30.6668 million, with a carrying value of RMB 647.5276 million.

Inventories are measured at the lower of cost and net realizable value. Management determines net realizable value as the estimated selling price less estimated costs to complete, estimated selling expenses, and related taxes. Due to the materiality of the inventory amount and the significant management judgment involved in determining net realizable value, we have identified the determination of net realizable value for inventories as a key audit matter.

2. Audit Response

Regarding the net realizable value of inventories, our audit procedures primarily included:

(1) Understanding key internal controls related to net realizable value of inventory, evaluating the design of these controls, determining whether they are implemented, and testing the operating effectiveness of relevant internal controls;

(2) Reviewing management's prior-year estimates of net realizable value or subsequent re-estimates made by management;

(3) Selecting items to evaluate the reasonableness of estimated selling prices, and reviewing whether estimated selling prices are consistent with market selling prices, historical data, etc.; (4) Evaluating the reasonableness of management's estimates of costs, selling expenses, and related taxes that will be incurred until inventory is completed;

(5) Test the accuracy of management's calculation of the net realizable value of inventory;

(6) In conjunction with physical inventory counts, identify whether there are instances of unsold inventory or unidentified defective products, and evaluate the reasonableness of management's estimates of the net realizable value of inventory;

(7) Examine whether information related to the net realizable value of inventory has been appropriately disclosed in the financial statements.

IV. Other Information

Management is responsible for the other information. The other information includes the information covered in the annual report, but excludes the financial statements and our audit report.

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

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed, if we determine that the other information contains a material misstatement, we are required to report that fact. In this regard, we have nothing to report.

V. Management and Governance Responsibilities for the Financial Statements

Management is responsible for preparing the financial statements in accordance with the Enterprise Accounting Standards to achieve a fair presentation, and for designing, implementing, and maintaining internal controls necessary to prevent or detect material misstatements in the financial statements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Changhong Energy Company's ability to continue as a going concern, disclosing matters related to going concern

(if applicable) and applying the going concern assumption unless liquidation, cessation of operations, or no other realistic alternative is planned. Changhong Energy Company's governance body (hereinafter referred to as the governance body) is responsible for overseeing the Company's financial reporting process.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes an audit opinion.Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. A misstatement may arise from fraud or error. A misstatement is generally considered material if, individually or in the aggregate, it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In conducting the audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following:

(a) Identifying and assessing the risks of material misstatement in the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining sufficient appropriate audit evidence to provide a basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls, the risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error.

(2) Understand internal control relevant to the audit to design appropriate audit procedures.

(iii) Evaluate the appropriateness of management's selection of accounting policies and the reasonableness of accounting estimates and related disclosures.

(iv) Form a conclusion on the appropriateness of management's use of the going concern assumption. Concurrently, based on the audit evidence obtained, form a conclusion on whether there is material uncertainty regarding matters or conditions that may cast significant doubt on Changhong Energy Company's ability to continue as a going concern. If we conclude that material uncertainty exists, auditing standards require us to draw the attention of users of the financial statements to the related disclosures in the financial statements in our audit report; if the disclosures are inadequate, we should issue a non-unqualified opinion.Our conclusion is based on information available as of the date of our audit report. However, future events or circumstances may cause Changhong Energy Company to cease operations.

(5) Evaluate the overall presentation, structure, and content of the financial statements, and assess whether the financial statements fairly present the relevant transactions and events. (6) Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Changhong Energy Company to issue an audit opinion on the financial statements.

We are responsible for directing, supervising, and performing the group audit and bear overall responsibility for the audit opinion.

We communicate with governance regarding planned audit scope, timing, and significant audit findings, including internal control deficiencies identified during the audit that warrant attention.

We also provide a statement to management regarding compliance with ethical requirements related to independence and communicate with management all relationships and other matters that could reasonably be thought to influence our independence, along with related safeguards (if applicable)

From the matters communicated with governance, we determine which are most significant to the audit of the current period's financial statements and thus constitute key audit matters. We describe these matters in the audit report unless laws or regulations prohibit their public disclosure or, in rare circumstances,

we determine that a matter should not be communicated in the audit report if we reasonably expect that the detriment to the public interest would outweigh the benefit of disclosure.

communicate the matter in the audit report.

Tianjin Certified Public Accountants LLP

Zhao Xingming, CPA (China)

(Project Partner)

Hangzhou, China

Certified Public Accountant (China):
Zeng Lijuan

April 17, 2025

II. Financial Statements

(I) Consolidated Balance Sheet

Unit: Yuan

Item	Notes	December 31, 2024	December 31, 2023
Current Assets:			
Cash and Cash Equivalents	₹(1) 1	515,735,570.09	344,192,765.73
Settlement Reserve Funds			
Funds Placed			
Trading Financial Assets	₹(1) 2		2,056,673.94
Derivative Financial Assets	₹(1)3	1,024,997.40	
Notes receivable	₹(1)4	10,182,652.20	450,212,139.35
Accounts Receivable	₹(1)5	803,195,142.31	703,536,235.52
Accounts Receivable Financing	₹(1)6	180,093,826.67	43,928,343.95
Prepayments	₹(1)7	4,805,631.19	4,157,889.64
Premiums receivable			
Reinsurance Receivables			
Reinsurance Contract Reserves Receivable			
Other receivables	₹(1) 8	6,752,589.38	6,220,859.38
Of which: Interest receivable			
Dividends receivable			
Financial assets under purchase-and-resale agreements			
Inventories	₹(1) 9	647,527,583.15	607,338,366.09
Including: Data resources			
Contract Assets			
Assets Held for Sale			
Non-current assets due within one year			
Other Current Assets	₹(1) 10	55,105,202.77	36,060,901.49
Total current assets		2,224,423,195.16	2,197,704,175.09

Non-current assets:			
Loans and Advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	Ⅵ(1) 11	35,904,714.56	33,716,520.34
Other Equity Instruments Investments			
Other Non-Current Financial Assets	Ⅵ(1) 12	17,460,928.48	17,154,463.80
Investment property		0.00	0.00
Fixed Assets	Ⅵ(1) 13	1,149,303,561.04	1,294,388,790.23
Construction in Progress	Ⅵ(1) 14	585,671,932.39	382,776,605.23
Productive biological assets			
Oil and gas assets			
Usufruct Assets	Ⅵ(1) 15	277,287,386.88	269,182,354.44
Intangible Assets	Ⅵ(1) 16	95,063,624.23	63,642,569.81
Including: Data Resources			
Development Expenditures			0.00
Of which: Data Resources			
Goodwill	Ⅵ(1) 17	98,244,483.70	98,244,483.70
Deferred Expenses	Ⅵ(1) 18	38,984,068.08	37,599,763.85
Deferred income tax assets	Ⅵ(1) 19	27,251,444.82	70,344,875.90
Other Non-Current Assets	Ⅵ(1) 20	3,469,776.70	12,376,994.32
Total Non-Current Assets		2,328,641,920.88	2,279,427,421.62
Total Assets		4,553,065,116.04	4,477,131,596.71
Current Liabilities:			
Short-term borrowings	Ⅵ(1) 22	757,243,652.16	688,120,991.60
Borrowings from the Central Bank			
Funds received under repo agreements			
Trading financial liabilities	Ⅵ(1) 23		282,608.21
Derivative financial liabilities	Ⅵ(1) 24	4,974,494.13	
Notes payable	Ⅵ(1) 25	373,227,265.57	353,320,044.22
Accounts Payable	Ⅵ(1) 26	1,133,618,348.18	1,211,246,357.29
Advance Receipts			
Contract Liabilities	Ⅵ(1) 27	12,923,783.94	53,629,950.22
Financial assets under reverse repurchase agreements			
Deposits and Interbank Placements			
Securities brokerage agency			
Securities underwriting agency			
Employee compensation payable	Ⅵ(1) 28	70,867,157.15	71,935,459.26
Taxes Payable	Ⅵ(1) 29	15,805,360.93	4,955,657.38
Other Payables	Ⅵ(1) 30	74,048,298.24	93,832,732.83
Of which: Interest payable			

Dividends Payable			

Commission and Fee Payables			
Reinsurance Payables			
Liabilities held for sale			
Current portion of non-current liabilities	Ⅵ(1) 31	250,771,125.29	471,067,581.92
Other current liabilities	Ⅵ(1) 32	1,371,060.50	6,742,112.65
Total Current Liabilities		2,694,850,546.09	2,955,133,495.58
Non-current liabilities:			
Insurance Contract Reserves			
Long-term borrowings	Ⅵ(1) 33	538,707,649.95	430,441,747.78
Bonds payable			
Of which: Preferred stock			
Perpetual Bonds			
Lease liabilities	Ⅵ(1) 34	119,297,472.17	150,684,740.01
Long-term Payables	Ⅵ(1) 35	6,303,632.51	
Long-term employee compensation payable			
Contingent Liabilities	Ⅵ(1) 36	449,122.00	449,122.00
Deferred Income	Ⅵ(1) 37	70,624,592.44	61,005,574.41
Deferred income tax liabilities	Ⅵ(1) 19	25,612,228.06	68,503,374.52
Other non-current liabilities			0.00
Total Non-Current Liabilities		760,994,697.13	711,084,558.72
Total Liabilities		3,455,845,243.22	3,666,218,054.30
Shareholders' Equity:			
Capital stock	Ⅵ(1) 38	130,053,003.00	130,053,003.00
Other Equity Instruments			
Of which: Preferred stock			
Perpetual Bonds			
Capital surplus	Ⅵ(1) 39	375,795,868.42	375,795,124.30
Less: Treasury stock			
Other Comprehensive Income	Ⅵ(1) 40	1,712,448.40	
Special Reserve	Ⅵ(1) 41	4,050,815.67	6,506,562.48
Retained Earnings	Ⅵ(1) 42	65,026,501.50	58,276,968.80
General Risk Reserve			
Retained Earnings	Ⅵ(1) 43	328,194,396.34	137,758,990.78
Equity Attributable to Owners of the Parent Company (or Shareholders' Equity) Total		904,833,033.33	708,390,649.36
Minority interests		192,386,839.49	102,522,893.05
Shareholders' Equity Total		1,097,219,872.82	810,913,542.41
Total Liabilities and Shareholders' Equity Equity)		4,553,065,116.04	4,477,131,596.71

Legal Representative: Guo Long Person in Charge of Accounting: Zhao Jingchun Head of Accounting Department: Zhao Jingchun

(II) Parent Company Balance Sheet

Unit: Yuan

Item	Notes	December 31, 2024	December 31, 2023
Current Assets:			
Cash and Cash Equivalents		85,739,470.85	117,415,086.03
Trading Financial Assets			1,738,702.00
Derivative financial assets		1,023,995.40	
Notes receivable			276,720,233.98
Accounts receivable	XVI(1) 1	281,780,441.28	234,938,701.89
Accounts Receivable Financing		87,046,951.08	26,650,175.33
Prepayments			
Other receivables	XVI(1) 2	432,409,710.65	316,287,889.74
Of which: Interest receivable			
Dividends receivable			
Financial assets under purchase-and-resale agreements			
Inventories		112,381,557.03	93,227,691.50
Of which: Data resources			
Contract Assets			
Assets Held for Sale			
Non-current assets due within one year			
Other current assets		16,256,947.71	8,666,960.81
Total current assets		1,016,639,074.00	1,075,645,441.28
Non-current assets:			
Debt investments			
Other Debt Investments			
Long-term receivables			
Long-term equity investments	XVI(1) 3	458,063,499.94	311,957,120.34
Other Equity Instruments Investments			
Other Non-Current Financial Assets		6,973,884.35	6,851,482.54
Investment property			
Fixed Assets		110,243,245.33	120,465,288.98
Construction in Progress		3,004,800.01	3,949,176.82
Productive biological assets			
Oil and gas assets			
Right-of-use assets		8,797,500.58	17,595,001.15
Intangible Assets		4,545,393.97	4,462,806.25
Including: Data resources			
Development Expenditures			
Of which: Data resources			
Goodwill			
Deferred expenses			
Deferred income tax assets		2,334,601.68	5,848,277.02

Other Non-Current Assets			911,399.99
Total Non-current Assets		593,962,925.86	472,040,553.09
Total Assets		1,610,601,999.86	1,547,685,994.37
Current Liabilities:			
Short-term borrowings		98,117,563.89	30,000,000.00
Financial liabilities held for trading			279,025.45
Derivative financial liabilities		4,057,462.00	
Notes payable		43,454,829.92	100,709,574.34
Accounts Payable		241,484,537.11	352,698,776.44
Advance receipts			
Financial assets sold under repurchase agreements			
Employee compensation payable		29,141,434.06	29,471,264.34
Taxes payable		11,137,563.65	2,257,183.85
Other Payables		26,295,487.67	23,002,956.89
Of which: Interest payable			
Dividends Payable			
Contract liabilities		2,697,869.07	2,643,141.00
Liabilities held for sale			
Current portion of non-current liabilities		82,591,433.92	289,407,306.98
Other current liabilities		350,722.98	344,094.12
Total current liabilities		539,328,904.27	830,813,323.41
Non-current liabilities:			
Long-term borrowings		225,200,675.00	
Bonds payable			
Of which: Preferred stock			
Perpetual Bonds			
Lease liabilities			9,574,725.58
Long-term payables			
Long-term employee compensation payable			
Contingent Liabilities			
Deferred income		25,640,017.46	29,271,931.58
Deferred income tax liabilities			5,329,807.21
Other Non-Current Liabilities			
Total non-current liabilities		250,840,692.46	44,176,464.37
Total Liabilities		790,169,596.73	874,989,787.78
Shareholders' Equity:			
Capital stock		130,053,003.00	130,053,003.00
Other Equity Instruments			
Of which: Preferred stock			
Perpetual Bonds			
Capital surplus		466,272,062.70	466,272,062.70
Less: Treasury stock			

Other Comprehensive Income			

Special reserve		766,490.55	495,036.45
Retained Earnings		65,026,501.50	58,276,968.80
General Risk Reserve			
Retained Earnings		158,314,345.38	17,599,135.64
Shareholders' Equity Total		820,432,403.13	672,696,206.59
Total Liabilities and Shareholders' Equity Equity)		1,610,601,999.86	1,547,685,994.37

(3) Consolidated Income Statement

Unit: Yuan

Item	Notes	2024	2023
I. Total Operating Revenue	¥(2)1	3,671,054,739.31	2,796,816,309.58
Of which: Operating Revenue		3,671,054,739.31	2,796,816,309.58
Interest Income			
Premiums earned			
Fees and commissions			
II. Total Operating Expenses		3,435,166,048.85	2,913,454,143.04
Of which: Operating Costs	¥(2)1	3,062,017,343.58	2,508,948,703.14
Interest Expense			
Fees and Commissions Paid			
Surrender Value			
Net claims paid			
Net Provision for Insurance Reserves			
Policy dividends paid			
Reinsurance Expenses			
Taxes and Surcharges	¥(2)2	11,651,849.67	8,297,698.57
Selling Expenses	¥(2)3	79,058,876.53	90,279,278.62
Administrative Expenses	¥(2)4	76,748,657.49	77,713,392.96
Research and Development Expenses	¥(2)5	157,520,763.81	164,784,164.21
Financial Expenses	¥(2)6	48,168,557.77	63,430,905.54
Of which: Interest Expense		56,566,105.49	58,246,102.72

Interest income		4,640,602.04	3,637,001.44
Plus: Other Income	(72) 7	46,197,712.10	46,908,484.11
Investment Income (Losses reported with a "-" sign)	(72) 8	3,815,531.40	429,277.75
Of which: Investment income (losses to be entered with a "-" sign) in associated and joint ventures (Losses are indicated with a "-")		2,713,194.22	1,433,068.38
Gain (loss) on termination of financial assets measured at amortized cost (losses to be recorded with a "-" sign)			
Foreign exchange gains (losses to be entered with a "-" sign)			
Net exposure hedge gains (losses indicated with "-")			
Gain (loss) on fair value changes (losses indicated with "-")	(72) 9	-5,417,097.78	-635,696.86
Credit impairment loss (losses indicated with "-")	(72) 10	-3,591,602.03	-2,758,713.38
Asset Impairment Loss (Losses are recorded with a "-" sign)	(72) 11	-30,799,365.19	-366,249,146.48
Gain on asset disposal (losses are indicated with a "-" sign)	(72) 12	77,087.77	10,621.68
III. Operating Profit (Losses indicated with "-")		246,170,956.73	-438,933,006.64
Add: Non-operating Income	(72) 13	2,061,691.61	2,568,850.03
Less: Non-operating Expenses	(72) 14	241,411.98	450,981.22
IV. Total Profit (Total Loss to be entered with a "-" sign)		247,991,236.36	-436,815,137.83
Less: Income tax expense	(72) 15	20,160,009.50	-26,297,806.02
V. Net Profit (Net Loss to be entered with a "-" sign)		227,831,226.86	-410,517,331.81
Of which: Net profit realized by the acquired entity prior to consolidation			
(a) By Going Concern Basis:	-	-	-
1. Net profit from continuing operations (net loss reported with a "-" sign)		227,831,226.86	-410,517,331.81
2. Net profit from continuing operations (net loss indicated with a "-" sign)			
(2) By Ownership Classification:	-	-	-
1. Minority Interest in Profit or Loss (Report net loss with a "-" sign)		30,646,288.60	-139,618,253.53
2. Net profit attributable to owners of the parent company (net loss to be entered with a "-" sign)		197,184,938.26	-270,899,078.28
VI. Net comprehensive income after tax		2,440,428.11	

(a) Net comprehensive income attributable to owners of the parent company Net Amount After Tax		1,712,448.40	
1. Other comprehensive income not reclassifiable to profit or loss			
(1) Remeasurement of defined benefit plan changes			
(2) Other comprehensive income not reclassifiable to profit or loss under the equity method			
(3) Fair value changes on other equity instruments			

(4) Fair value changes in the entity's own credit risk			
(5) Other			
2. Reclassification of other comprehensive income to profit or loss		1,712,448.40	
(1) Other comprehensive income attributable to equity method investees that can be reclassified to profit or loss			
(2) Fair value changes on other debt investments			
(3) Fair value changes on financial assets reclassified to other comprehensive income Amount			
(4) Credit impairment allowance for other debt investments			
(5) Cash flow hedge reserve			
(6) Foreign currency translation differences		1,712,448.40	
(7) Other			
(2) Tax on other comprehensive income attributable to minority interests Net Amount		727,979.71	
VII. Total Comprehensive Income		230,271,654.97	-410,517,331.81
(a) Total Comprehensive Income Attributable to Owners of the Parent Company		198,897,386.66	-270,899,078.28
(2) Total comprehensive income attributable to minority interests		31,374,268.31	-139,618,253.53
VIII. Earnings Per Share:			
(1) Basic earnings per share (RMB/share)		1.52	-2.08
(2) Diluted Earnings Per Share (RMB/share)		1.52	-2.08

Legal Representative: Guo Long Person in Charge of Accounting: Zhao Jingchun Head of Accounting Department: Zhao Jingchun

(IV) Parent Company Income Statement

Unit: Yuan

Item	Notes	2024	2023
I. Operating Revenue	XV. (2) 1	1,511,091,994.83	1,228,153,804.89
Less: Cost of Sales	XV. (2) 1	1,249,526,898.27	987,654,698.11
Taxes and Surcharges		4,234,234.16	3,735,350.19
Selling Expenses		38,507,111.39	37,302,331.36
Administrative Expenses		22,989,726.34	28,674,786.43
Research and Development Expenses	XV. (2) 2	60,563,978.52	61,532,919.81
Financial Expenses		-5,948,319.57	6,789,061.19
Of which: Interest expense		8,811,340.93	9,528,388.98
Interest income		11,436,200.92	11,568,605.47
Plus: Other Income		9,117,067.61	17,342,673.17
Investment Income (Losses reported with a "-" sign)	XV. (2) 3	25,088,559.27	25,049,629.54
Of which: Investment income (losses to be entered with a "-" sign) in associated and joint ventures (Losses are indicated with a "-")	94	2,713,194.22	1,433,068.38

Gain (loss) on termination of financial assets measured at amortized cost (losses to be recorded with a "-" sign)			
Foreign exchange gains (losses reported with a "-" sign)			
Net exposure hedge gains (losses indicated with "-")			
Gain (loss) on fair value changes (losses indicated with "-")		-4,370,741.34	1,074,009.45
Credit impairment loss (losses indicated with "-")		-7,463,247.89	-1,336,276.85
Asset impairment loss (losses are indicated with a "-" sign)		-957,191.72	-350,809,882.95
Gain on disposal of assets (losses indicated with "-")			35,452.16
II. Operating Profit (Losses are indicated with a "-" sign)		162,632,811.65	-206,179,737.68
Plus: Non-operating income		12,600.00	396,591.63
Less: Non-operating Expenses		70,358.10	134,100.82
III. Total Profit (Total Loss to be entered with a "-" sign)		162,575,053.55	-205,917,246.87
Less: Income tax expense		15,110,311.11	7,187,198.58
IV. Net Profit (Net Loss to be entered with a "-" sign)		147,464,742.44	-213,104,445.45
(1) Net Profit from Continuing Operations (Net Losses are indicated with a "-" sign)		147,464,742.44	-213,104,445.45
(2) Net profit from discontinued operations (net loss indicated with "-")			
V. Net comprehensive income after tax			0.00
(a) Other comprehensive income not reclassifiable to profit or loss			0.00
1. Remeasurement of Defined Benefit Plan Changes			
2. Other Comprehensive Income Not Reroutable to Profit or Loss Under the Equity Method			
3. Fair value changes on other equity instruments			
4. Fair value changes due to the entity's own credit risk			
5. Other			
(2) Other Comprehensive Income Reclassified to Profit or Loss			0.00
1. Other Comprehensive Income Reclassified to Profit or Loss Under the Equity Method			
2. Fair value changes on other debt investments			
3. Amounts Reclassified from Financial Assets to Other Comprehensive Income			
4. Credit impairment allowance for other debt investments			
5. Cash Flow Hedge Reserve			
6. Foreign currency translation differences			
7. Other			
VI. Total Comprehensive Income		147,464,742.44	-213,104,445.45
VII. Earnings Per Share:			
(a) Basic Earnings Per Share (RMB/share)			
(b) Diluted Earnings Per Share (RMB/share)			

(V) Consolidated Cash Flow Statement

Unit: CNY

Item	Notes	2024	2023
I. Cash Flows from Operating Activities:			
Cash received from sales of goods and services		2,402,536,668.58	1,996,421,972.90
Net increase in customer deposits and interbank placements			
Net increase in borrowings from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash received from premiums for direct insurance contracts			
Net cash received from reinsurance operations			
Net increase in policyholder deposits and investment funds			
Cash received from interest, fees, and commissions			
Net increase in borrowed funds			
Net increase in repurchase agreement funds			
Net cash received from securities brokerage			
Tax and fee refunds received		85,914,385.02	69,445,010.45
Cash received from other operating activities	¥(3) 1	48,000,069.40	53,969,327.81
Subtotal of cash inflows from operating activities		2,536,451,123.00	2,119,836,311.16
Cash paid for purchases of goods and services		1,690,602,134.25	1,692,254,881.89
Net increase in loans and advances to customers			
Net increase in deposits with the central bank and other financial institutions			
Cash paid for claims under original insurance contracts			
Net increase in financial assets held for trading			
Net increase in funds placed			
Cash paid for interest, fees, and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		331,085,542.86	312,211,960.13
Taxes and fees paid		62,696,891.89	48,501,355.40
Cash paid for other operating activities	¥(3) 1	98,457,433.03	103,469,852.16
Subtotal of Cash Flows from Operating Activities		2,182,842,002.03	2,156,438,049.58
Net Cash Flow from Operating Activities		353,609,120.97	-36,601,738.42
II. Cash Flows from Investing Activities:			
Cash received from recovery of investments			0.00
Cash received from investment income		525,000.00	1,050,000.00
Cash received from disposal of fixed assets, intangible assets, and other long-term assets Net cash from disposal of fixed assets, intangible assets, and other long-term assets		58,000.00	0.00
Net cash received from disposal of subsidiaries and other business units			
Cash received from other activities related to investing activities	¥(3) 96 1	4,759,469.23	3,171,085.59
Subtotal of Cash Flows from Investing Activities		5,342,469.23	4,221,085.59

Cash paid for acquisition of property, plant and equipment, intangible assets, and other long-term assets		163,847,170.70	155,007,127.98
Cash paid for			
Cash paid for investments		0.00	7,333,333.00
Net increase in pledged loans			
Net cash paid to acquire subsidiaries and other business units		0.00	94,887,125.37
Cash paid for other activities related to investing activities			
Subtotal of cash outflows from investing activities		163,847,170.70	257,227,586.35
Net cash provided by investing activities		-158,504,701.47	-253,006,500.76
III. Cash Flows from Financing Activities:			
Cash received from investment activities		65,745,744.12	0.00
Of which: Cash received from minority shareholders' investment in subsidiaries		65,745,744.12	
Cash received from borrowings		1,154,750,000.00	773,743,704.81
Cash received from issuance of bonds			
Cash received from other financing activities	Y(3)1	30,208,445.42	154,274,824.00
Subtotal of cash inflows from financing activities		1,250,704,189.54	928,018,528.81
Cash paid for debt repayment		1,085,413,613.58	325,339,599.92
Cash paid for dividends, profits, or interest payments		72,908,060.63	98,759,416.37
Of which: Dividends and profits paid by subsidiaries to minority shareholders		8,949,000.00	10,410,700.00
Cash paid for other financing activities	Y(3)1	164,359,782.98	124,287,556.12
Subtotal of cash outflows from financing activities		1,322,681,457.19	548,386,572.41
Net Cash Flow from Financing Activities		-71,977,267.65	379,631,956.40
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		6,288,844.88	-19,610,167.48
V. Net Increase in Cash and Cash Equivalents		129,415,996.73	70,413,549.74
Plus: Cash and cash equivalents at beginning of period		329,327,102.26	258,913,552.52
VI. Cash and Cash Equivalents at End of Period		458,743,098.99	329,327,102.26

Legal Representative: Guo Long Person in Charge of Accounting: Zhao Jingchun Head of Accounting Department: Zhao Jingchun

(VI) Parent Company Cash Flow Statement

Unit: Yuan

Item	Notes	2024	2023
I. Cash Flows from Operating Activities:			
Cash received from sales of goods and services		1,006,552,804.15	844,338,449.53
Tax refunds received		66,417,920.50	52,256,778.38
Cash received from other operating activities		2,206,033.71	7,517,090.48
Subtotal of cash inflows from operating activities		1,075,176,758.36	904,112,318.39
Cash paid for purchases of goods and services	97	837,979,388.75	621,889,237.43
Cash paid to employees and for employee benefits		89,384,025.43	84,821,370.93
Taxes and fees paid		17,169,096.37	4,581,785.19
Cash paid for other operating activities		31,167,136.32	30,907,768.37

Subtotal of cash outflows from operating activities		975,699,646.87	742,200,161.92
Net Cash Flow from Operating Activities		99,477,111.49	161,912,156.47
II. Cash Flows from Investing Activities:			
Cash received from recovery of investments		0.00	0.00
Cash received from investment income		21,576,000.00	25,539,300.00
Proceeds from disposal of fixed assets, intangible assets, and other long-term assets Net cash from disposal of fixed assets, intangible assets, and other long-term assets		0.00	0.00
Net cash received from disposal of subsidiaries and other business units from disposal of subsidiaries and other business units			
Cash received from other investing activities		192,070,500.51	61,925,615.42
Subtotal of cash flows from investing activities		213,646,500.51	87,464,915.42
Cash paid for acquisition of property, plant and equipment, intangible assets, and other long-term assets Cash paid for		5,851,231.01	23,667,779.16
Cash paid for investments		143,918,185.38	101,650,133.00
Net cash paid to acquire subsidiaries and other business units Amount			
Cash paid for other investing activities		296,000,000.00	30,000,000.00
Subtotal of cash outflows from investing activities		445,769,416.39	155,317,912.16
Net Cash Flow from Investing Activities		-232,122,915.88	-67,852,996.74
III. Cash Flows from Financing Activities:			
Cash received from investment activities			
Cash received from borrowings		496,000,000.00	0.00
Cash received from issuance of bonds			
Cash received from other financing activities		874,389.34	30,252,840.36
Subtotal of cash flows from financing activities		496,874,389.34	30,252,840.36
Cash paid for debt repayment		380,000,000.00	20,000,000.00
Cash paid for dividends, profits, or interest payments		8,153,075.01	46,852,413.60
Cash paid for other financing activities		14,951,865.01	11,480,771.33
Subtotal of cash outflows from financing activities		403,104,940.02	78,333,184.93
Net Cash Flow from Financing Activities		93,769,449.32	-48,080,344.57
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		3,870,440.65	-20,152,301.37
V. Net Increase in Cash and Cash Equivalents		-35,005,914.42	25,826,513.79
Add: Cash and cash equivalents at beginning of period		116,399,902.25	90,573,388.46
VI. Cash and Cash Equivalents at End of Period		81,393,987.83	116,399,902.25

(VII) Consolidated Statement of Changes in Shareholders' Equity

Unit: Yuan

Item	2024											
	Equity Attributable to Owners of the Parent Company										Minority Interests	Total Shareholders' Equity
	Share Capital	Other Equity Instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserves	Retained Earnings	General Risk Reserve	Retained Earnings	
		Preferred Stock	Perpetual Bonds	Other								
I. Previous Period Balance	130,053,003.00				375,795,124.30			6,506,562.48	58,276,968.80		137,758,990.78	102,522,893.05	810,913,542.41
Add: Accounting Policy Change								0.00					
Prior Period Error Correction								0.00					
Business Combination Under Common Control													
Consolidation													
Other													
II. Current Period Opening Balance	130,053,003.00				375,795,124.30			99 6,506,562.48	58,276,968.80		137,758,990.78	102,522,893.05	810,913,542.41
III. Current Period Increase					744.12		1,712,448.40	-2,455,746.81	6,749,532.70		190,435,405.56	89,863,946.44	286,306,330.41

Amount (decreased with "—"))													
(1) Total Income							1,712,448.40				197,184,938.26	31,374,268.31	230,271,654.97
(2) Owner's Capital Contribution and Decrease in Capital					744.12							65,745,000.00	65,745,744.12
1. Common Stock Contributed by Shareholders Shares												65,745,000.00	65,745,000.00
2. Other equity instruments contributed by holders Capital													
3. Amounts included in owners' equity for share-based payments Amount													
4. Other					744.12								744.12
(3) Profit Distribution									6,749,532.70		-6,749,532.70	-8,949,000.00	-8,949,000.00
1. Withdrawal of Retained Earnings from Retained Earnings									6,749,532.70		-6,749,532.70		

2. Withdrawal from General Risk Reserve													

Reserve													
3. Distribution to Owners (or Shareholders) Distributions to Owners (or Shareholders)												-8,949,000.00	-8,949,000.00
4. Other													
(IV) Retained Earnings within Owners' Equity Carry-forward													
1. Capital reserve transferred to capital (or share capital))													
2. Transfer of retained earnings to capital (or share capital))													
3. Use retained earnings to offset losses 4. Transfer of changes in established beneficiary plans													
4. Transfer of changes in beneficiary plans Retained earnings													

5. Other Comprehensive Income Retained earnings													

Retained earnings													
6. Other													
(V) Special Reserve								-2,455,746.81				1,693,678.13	-762,068.68
1. Current Period Provision Withdrawal								7,432,023.85				5,261,359.67	12,693,383.52
2. Current Period Usage 9,887,770.66								9,887,770.66				3,567,681.54	13,455,452.20
(VI) Other													
IV. Balance at the End of the Current Period Balance	130,053,003.00				375,795,868.42		1,712,448.40	4,050,815.67	65,026,501.50		328,194,396.34	192,386,839.49	1,097,219,872.82

Project	2023											
	Equity attributable to owners of the parent										Minority Interests	Total Shareholders' Equity
	Common stock	Other Comprehensive Income			Capital Surplus	Less: Treasury stock	Other Comprehensive Income	Special Reserve	Retained Earnings	General Risk Reserve	Retained Earnings	
		Preferred stock	Perpetual Bonds	Other			Reserves					

I. Previous Period Balance	130,053,003.00				375,795,124.30			894,972.56	58,259,980.02		447,424,645.42	225,503,343.70	1,237,931,069.00
Add: Accounting Policy Change									16,988.78		249,324.54	47,865.50	314,178.82

Prior Period Error Correction													
Business Combination Under Common Control													
Business Combination													
Other													
II. Current Period Opening Balance	130,053,003.00				375,795,124.30			894,972.56	58,276,968.80		447,673,969.96	225,551,209.20	1,238,245,247.82
III. Changes in Current Period (Decreases are indicated with a "-")								5,611,589.92			-309,914,979.18	-123,028,316.15	-427,331,705.41
(I) Comprehensive Total Income											-270,899,078.28	-139,618,253.53	-410,517,331.81
(II) Capital Contributions and Capital Reduction													
1. Common stock contributed by shareholders													
Contributions													

2. Contributions from holders of other equity instruments Capital													
3. Share-based payments													

is recorded in shareholders' equity Amount													
4. Other													
(3)Profit Distribution											-39,015,900.90	-10,410,700.00	-49,426,600.90
1. Reserve													
2. General risk reserve													
3. Allocation to Owners (or Shareholders)													
3. Distribution to Owners (or Shareholders) distribution to owners											-39,015,900.90	-10,410,700.00	-49,426,600.90
4. Other													
(IV)Earnings within Shareholders' Equity Transfer													
1. Capital Surplus to Capital (or Share))													

2. Transfer of retained earnings to capital (or share capital))													

3. Use retained earnings to offset losses													
4. Changes in designated benefit plans transferred to retained earnings													
4. Transfer of changes in established benefit plans Retained earnings													
5. Transfer of other comprehensive income to retained earnings													
6. Other comprehensive income													
6. Other													
(V)Special Reserves								5,611,589.92					5,611,589.92
1. Current Period Provision Withdrawal								17,804,145.13					17,804,145.13
2. Current period usage 12,192,555.21								12,192,555.21					12,192,555.21

(VI)Other												27,000,637.38	27,000,637.38
IV. Current Period Balance	130,053,003.00				375,795,124.30			6,506,562.48	58,276,968.80		137,758,990.78	102,522,893.05	810,913,542.41

Legal Representative: Guo Long Person in Charge of Accounting: Zhao Jingchun Head of Accounting Department: Zhao Jingchun

(8) Statement of Changes in Equity of Parent Company Shareholders

Unit: Yuan

Item	2024											
	Share Capital	Other Equity Instruments			Capital Surplus	Less: Treasury stock	Other Comprehensive Income	Special reserve	Retained Earnings	General Risk Reserve	Retained Earnings	Total Shareholders' Equity
		Preferred stock	Perpetual debt	Other								
I. Balance at End of Previous Year	130,053,003.00				466,272,062.70			495,036.45	58,276,968.80		17,599,135.64	672,696,206.59
Add: Changes in Accounting Policies												
Correction of prior period errors												
Other												
II. Opening Balance for the Current Year	130,053,003.00				466,272,062.70			495,036.45	58,276,968.80		17,599,135.64	672,696,206.59
III. Current Period Increase/Decrease Amount (Decreases indicated with "—")								271,454.10	6,749,532.70		140,715,209.74	147,736,196.54
(I) Total Comprehensive Income											147,464,742.44	147,464,742.44
(2) Owners' Contributions and Reductions Capital												
1. Common stock contributed by shareholders												
2. Contributions by holders of other equity instruments Capital												

3. Amounts recognized in owners' equity for share-based payments 4. Other amounts recognized in equity												
4. Other												

(3) Profit Distribution									6,749,532.70		-6,749,532.70	
1. Appropriation to retained earnings									6,749,532.70		-6,749,532.70	
2. General Risk Reserve Allocation												
3. Dividends to Owners (or Shareholders) Distribution												
4. Other												
(IV) Internal Settlement of Owner's Equity Transfers												
1. Capital surplus converted to capital (or Share Capital)												
2. Transfer of retained earnings to capital (or share capital)												
3. Use retained earnings to offset losses												
4. Changes in Defined Benefit Plans Retained earnings												
5. Other comprehensive income transferred to retained Retained earnings												
6. Other												
(V) Special Reserves								271,454.10				271,454.10
1. Current Period Allocation								3,359,266.19				3,359,266.19
2. Current Period Usage								3,087,812.09				3,087,812.09
(VI) Other								0.00				0.00
IV. Year-End Balance	130,053,003.00				466,272,062.70			766,490.55	65,026,501.50		158,314,345.38	820,432,403.13

Project	2023											
	Share Capital	Other Equity Instruments			Capital Surplus	Less: Treasury stock	Other Comprehensive Income	Special reserve	Retained Earnings	General Risk Reserve	Retained Earnings	Total Shareholders' Equity
		Preferred Stock	Perpetual debt	Other			Reserves					
I. Balance at End of Previous Year	130,053,003.00				466,272,062.70			316,926.43	58,259,980.02		269,566,582.92	924,468,555.07
Add: Changes in Accounting Policies									16,988.78		152,899.07	169,887.85
Correction of prior period errors												
Other												
II. Opening Balance for the Current Period	130,053,003.00				466,272,062.70			316,926.43	58,276,968.80		269,719,481.99	924,638,442.92
III. Current Period Increase/Decrease Amount (Decreases indicated with "—")								178,110.02			-252,120,346.35	-251,942,236.33
(1) Total Comprehensive Income											-213,104,445.45	-213,104,445.45
(2) Owners' Contributions and Reductions Capital												
1. Common stock contributed by shareholders												
2. Contributions by holders of other equity instruments Capital												

3. Share-based payments recognized in owners' equity 4. Other amounts recognized in equity												
4. Other												
(3) Profit Distribution											-39,015,900.90	-39,015,900.90
1. Appropriation to Retained Earnings												
2. General Risk Reserve											-39,015,900.90	-39,015,900.90

3. Dividends to Owners (or Shareholders) Distribution to Owners (or Shareholders)												
4. Other												
(IV) Internal Settlement of Owner's Equity Transfers												
1. Capital surplus converted to capital (or Share Capital)												
2. Transfer of retained earnings to capital (or share capital)												
3. Use retained earnings to offset losses												
4. Changes in Defined Benefit Plans Retained earnings												
5. Other comprehensive income transferred to retained Retained earnings												
6. Other												
(V) Special Reserves								178,110.02				178,110.02
1. Current Period Allocation								3,998,177.91				3,998,177.91
2. Current Period Usage								3,820,067.89				3,820,067.89
(VI) Other												0.00
IV. Year-End Balance	130,053,003.00				466,272,062.70			495,036.45	58,276,968.80		17,599,135.64	672,696,206.59

Notes to the Financial Statements of Sichuan Changhong New Energy Technology Co., Ltd.

2024

Amount Unit: Renminbi Yuan

I. Basic Information of the Company

Sichuan Changhong New Energy Technology Co., Ltd. (hereinafter referred to as the "Company" or "we") was registered with the Mianyang Administration for Industry and Commerce on October 30, 2006. Headquartered in Mianyang City, Sichuan Province, the Company was established through the overall restructuring of Sichuan Changhong New Energy Technology Co., Ltd. pursuant to the resolution adopted at the Second Extraordinary General Meeting of Shareholders in 2015 regarding the establishment of Sichuan Changhong New Energy Technology Co., Ltd. and established as a joint stock limited company through the overall conversion of the audited net assets of Sichuan Changhong New Energy Technology Co., Ltd. as of July 31, 2015. The Company currently holds a business license with the Unified Social Credit Code 91510700793993945B, with a registered capital of RMB 130,053,003 and a total of 130,053,003 shares(par value of RMB 1 per share) This includes 80,342,919 restricted A-shares and 49,710,084 unrestricted A-shares. The company was listed on the Beijing Stock Exchange on November 15, 2021.

The Company operates in the battery manufacturing industry. Its primary business activities include the research, development, production, sales, and related services of alkaline zinc-manganese batteries and lithium-ion batteries.

These financial statements were approved for external release at the 38th Meeting of the Third Board of Directors on April 17, 2025.

II. Basis for Preparation of Financial Statements

(1) Basis of Preparation

The Company's financial statements are prepared on a going concern basis.

(2) Evaluation of Going Concern Capability

There are no matters or circumstances that would cause significant doubt about the Company's ability to continue as a going concern for the 12 months following the reporting period.

III. Significant Accounting Policies and Estimates

Important Note: The Company has established specific accounting policies and estimates for transactions or events such as impairment of financial instruments, inventory, depreciation of fixed assets, construction in progress, intangible assets, and revenue recognition, based on the characteristics of its actual production and operations.

(1) Statement of Compliance with Accounting Standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and present fairly and completely the Company's financial position, operating results, cash flows, and other relevant information.

(2) Accounting Period

The accounting year runs from January 1 to December 31 of the Gregorian calendar.

(3) Operating Cycle

The Company's operating cycle is relatively short, and a 12-month period is used as the standard for classifying assets and liabilities based on liquidity.

(IV) Functional Currency

The Company and its domestic subsidiaries use Renminbi as the functional currency. Changhong New Energy (Thailand) Co., Ltd., a subsidiary engaged in overseas operations, uses Thai Baht as its functional currency.

(5) Methodology and Basis for Determining Materiality Thresholds

The Company prepares and discloses financial statements in accordance with the materiality principle. Matters disclosed in the notes to these financial statements involving materiality judgments, along with the methods for determining materiality thresholds and the basis for selection, are as follows:

Judgments Involving Materiality Criteria Disclosures Involving Materiality Criteria	Methodology for Determining Materiality Thresholds and Basis for Selection
Significant individual accounts receivable for which allowance for doubtful accounts is provided	Individual amount exceeding 0.3% of total assets
Recoveries or reversals of significant bad debt provisions for notes receivable	Individual amount exceeding 0.3% of total assets
Significant write-offs of notes receivable	Individual amount exceeding 0.3% of total assets
Significant accounts receivable for which individual bad debt provisions are made	Individual amount exceeding 0.3% of total assets
Significant recoveries or reversals of bad debt provisions for accounts receivable	Individual amounts exceeding 0.3% of total assets
Significant write-offs of accounts receivable	Individual amount exceeding 0.3% of total assets
Recovery or reversal of significant impairment provisions for receivables financing	Individual amount exceeding 0.3% of total assets
Significant write-offs of receivables financing	Individual amount exceeding 0.3% of total assets
Other receivables with significant individual bad debt provisions	Individual amount exceeding 0.3% of total assets
Significant recoveries or reversals of bad debt provisions for other receivables	Individual amounts exceeding 0.3% of total assets
Significant write-offs of other receivables	Individual amount exceeding 0.3% of total assets
Significant prepayments with an aging period exceeding 1 year	Individual amount exceeding 0.3% of total assets
Significant construction-in-progress projects	Individual project budgets exceeding RMB 20 million
Significant accounts payable with an aging period exceeding 1 year	Individual amounts exceeding 0.3% of total assets
Other payables with significant aging exceeding 1 year	Individual amounts exceeding 0.3% of total assets

Contract liabilities with significant aging exceeding one year	Individual amounts exceeding 0.3% of total assets
Significant changes in the carrying amount of contract liabilities	Individual amount exceeding 0.3% of total assets
Significant estimated liabilities	Individual amounts exceeding 0.3% of total assets
Significant cash flows from investing activities	Individual amount exceeding 5% of total assets
Significant overseas operating entities	Total assets or total profit exceeding 15% of the group's total assets or total profits
Significant subsidiaries and non-wholly owned subsidiaries	Total assets or total profits exceeding 15% of the group's total assets or 15% of the Group's total assets or
Significant joint ventures and associates	Individual long-term equity investment with book value exceeding 5% of the Group's net assets Assets
Significant Commitments	The company classifies commitments with a single contract amount exceeding 0.5% of total assets or commitments of a special nature that have been signed but not yet fully performed as significant commitments. as significant commitments.
Significant Contingent Liabilities	The company recognizes contingent liabilities as significant if the amount claimed in litigation exceeds 0.5% of total assets or if the contingent liability is of a special nature. Matters
Significant events after the balance sheet date	The Company recognizes post-balance-sheet events as significant if they affect amounts exceeding 0.5% of total assets or are of a special nature. Significant Post-Balance-Sheet Date Events
Significant events after the balance sheet date	The Company identifies significant subsequent events as those affecting amounts exceeding 0.5% of total assets or those of a special nature. Significant Events After the Balance Sheet Date

(6) Accounting treatment for business combinations under common control and non-common control

1. Accounting Treatment for Business Combinations Under Common Control

Assets and liabilities acquired by the Company in a business combination are measured at the carrying amounts of the acquiree in the consolidated financial statements of the ultimate controlling party as of the acquisition date. The Company adjusts capital surplus by the difference between its share of the acquiree's equity in the ultimate controlling party's consolidated financial statements and the carrying amount of the consideration paid or the total par value of shares issued. If capital surplus is insufficient, retained earnings are adjusted.

2. Accounting Treatment for Business Combinations Not Under Common Control

The difference between the acquisition cost and the fair value share of the acquiree's identifiable net assets acquired in the merger is recognized as goodwill on the acquisition date.If the cost of the merger is less than the fair value share of the acquiree's identifiable net assets acquired in the merger, the fair values of the acquiree's identifiable assets, liabilities, and contingent liabilities acquired, as well as the measurement of the merger cost, shall first be reviewed. If, after review, the merger cost remains less than the fair value share of the acquiree's identifiable net assets acquired in the merger, the difference shall be recognized in profit or loss for the period.

(7) Criteria for Determining Control and Methods for Preparing Consolidated Financial Statements

1. Determination of Control

Control is recognized when an entity has the power to direct the activities of an investee, receives variable returns from its involvement with the investee, and has the ability to affect the amount of those variable returns.

2. Methodology for Preparing Consolidated Financial Statements

The parent company includes all subsidiaries under its control within the scope of consolidation for the consolidated financial statements. The consolidated financial statements are prepared by the parent company based on the financial statements of the parent company and its subsidiaries, using other relevant information, in accordance with the preparation requirements of Accounting Standard for Business Enterprises No. 33—

—Consolidated Financial Statements."

(8) Criteria for Determining Cash and Cash Equivalents

Cash presented in the cash flow statement refers to cash on hand and deposits that can be readily converted into cash for payment. Cash equivalents refer to short-term, highly liquid investments held by the enterprise that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

(IX) Translation of Foreign Currency Transactions and Foreign Currency Financial Statements

1. Foreign Currency Transaction Translation

Foreign currency transactions are initially recognized at the exchange rate prevailing on the transaction date. On the balance sheet date, monetary items denominated in foreign currencies are translated at the exchange rate prevailing on the balance sheet date. Exchange differences arising from such translation, except for exchange differences on principal and interest of foreign currency borrowings specifically used for acquiring assets meeting capitalization criteria, are recognized in profit or loss for the period.Non-monetary items measured at historical cost in foreign currency shall still be translated using the spot exchange rate on the transaction date, without altering their RMB amounts. Non-monetary items measured at fair value in foreign currency shall be translated using the spot exchange rate on the date the fair value is determined, with differences recognized in profit or loss or other comprehensive income.

2. Translation of Foreign Currency Financial Statements

Asset and liability items in the balance sheet shall be translated using the spot exchange rate on the balance sheet date. Equity items, except for "Retained Earnings," shall be translated using the spot exchange rate on the transaction date. Income and expense items in the income statement shall be translated using the average exchange rate at the end of each month during the reporting period. Translation differences arising from the above translation of foreign currency financial statements shall be recognized in other comprehensive income.

(10) Financial Instruments

1. Classification of Financial Assets and Financial Liabilities

Financial assets are classified upon initial recognition into the following three categories: (1) financial assets measured at amortized cost; (2) financial assets measured at fair value with changes recognized in other comprehensive income; (3) financial assets measured at fair value with changes recognized in profit or loss.

Financial liabilities are classified upon initial recognition into the following four categories: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities arising from the transfer of financial assets that do not meet the criteria for derecognition or from continuing involvement in transferred financial assets;(3) Financial guarantee contracts not falling under (1) or (2) above, and loan commitments not falling under (1) above that are made at below market interest rates; (4) Financial liabilities measured at amortized cost.

2. Recognition Basis, Measurement Methods, and Derecognition Criteria for Financial Assets and Financial Liabilities

(1) Basis for Recognition and Initial Measurement of Financial Assets and Financial Liabilities

A financial asset or financial liability is recognized when the Company becomes a party to the contract for the financial instrument. Financial assets or liabilities are initially recognized at fair value. For financial assets and liabilities measured at fair value with changes recognized in profit or loss, related transaction costs are recognized directly in profit or loss for the period. For financial assets or liabilities classified in other categories, related transaction costs are included in the initial recognition amount.However, if the Company's initially recognized accounts receivable do not contain a significant financing component or the Company disregards the financing component in contracts not exceeding one year, the transaction price as defined in Accounting Standard for Business Enterprises No. 14—Revenue is used for initial measurement.

(2) Subsequent Measurement of Financial Assets

1) Financial assets measured at amortized cost

Subsequent measurement is performed at amortized cost using the effective interest method. Gains or losses arising from financial assets measured at amortized cost that are not part of any hedging relationship are recognized in profit or loss when the asset is derecognized, reclassified, amortized using the effective interest method, or impaired.

2) Debt instrument investments measured at fair value with changes recognized in other comprehensive income

Subsequent measurement is at fair value. Interest calculated using the effective interest method, impairment losses or gains, and foreign exchange gains or losses are recognized in profit or loss for the period. Other gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and recognized in profit or loss for the period.

3) Equity instruments measured at fair value with changes recognized in other comprehensive income

Subsequent measurement is at fair value. Dividends received (except those representing a recovery of the investment cost) are recognized in profit or loss for the period, while other gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and recognized in retained earnings.

4) Financial assets at fair value through profit or loss

Subsequent measurement is at fair value. Gains or losses arising (including interest and dividend income) are recognized in profit or loss for the period, unless the financial asset is part of a hedging relationship.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

These include trading liabilities (including derivative financial liabilities) and liabilities designated as measured at fair value through profit or loss. Such liabilities are subsequently measured at fair value. Changes in fair value attributable to changes in the company's own credit risk for liabilities designated as measured at fair value through profit or loss are recognized in other comprehensive income, unless such treatment would create or increase an accounting mismatch in profit or loss. Other gains or losses arising from these liabilities (including interest expense) are recognized in profit or loss, unless the liability is part of a hedge relationship.

Other gains or losses arising from such financial liabilities (including interest expense and changes in fair value not attributable to changes in the company's own credit risk) are recognized in profit or loss for the period, unless the liability is part of a hedge relationship.Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to retained earnings.

2) Financial liabilities arising from transfers of financial assets that do not meet the criteria for derecognition or from continuing involvement in transferred financial assets

shall be measured in accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 23—Transfer of Financial Assets.

3) Financial guarantee contracts that do not fall under either 1) or 2) above, and loan commitments that do not fall under 1) above and are made at below market interest rates

Subsequent measurement after initial recognition shall be based on the higher of the following two amounts: (1) the allowance for losses determined in accordance with the impairment provisions for financial instruments; and (2) the balance of the initial recognition amount less the cumulative amortization determined in accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 14 - Revenue.

4) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost using the effective interest method. Gains or losses arising from financial liabilities measured at amortized cost that are not part of any hedging relationship shall be recognized in profit or loss for the period when the liability is derecognized or amortized using the effective interest method.

(4) Derecognition of Financial Assets and Financial Liabilities

1) Financial assets are derecognized when any of the following conditions are met:

① The contractual rights to receive cash flows from the financial asset have terminated;

② The financial asset has been transferred, and such transfer meets the requirements for derecognition of financial assets as specified in Accounting Standard for Business Enterprises No. 23—Transfer of Financial Assets.

2) When the present obligation of a financial liability (or a portion thereof) is discharged, the financial liability (or that portion) is derecognized accordingly.

3. Basis for Recognition and Measurement Methods for Transfers of Financial Assets

When a company transfers substantially all the risks and rewards of ownership of a financial asset, it derecognizes that financial asset and separately recognizes the rights and obligations arising from or retained in the transfer as assets or liabilities. When a company retains substantially all the risks and rewards of ownership of a financial asset, it continues to recognize the transferred financial asset.Where a company neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it shall handle the situation as follows: (1) If control over the financial asset is not retained, derecognize the financial asset and separately recognize the rights and obligations arising from or retained in the transfer as assets or liabilities; (2) If control over the financial asset is retained, recognize the relevant financial assets based on the extent of continued involvement in the transferred financial assets and recognize the corresponding liabilities.

When a transfer of a financial asset meets the criteria for derecognition, the difference between the following two amounts is recognized in profit or loss for the period:(1) The carrying amount of the transferred financial asset at the date of derecognition; (2) The sum of the consideration received for the transfer and the portion of the cumulative fair value changes previously recognized directly in other comprehensive income corresponding to the derecognized portion (where the transferred financial asset is a debt instrument investment measured at fair value with changes recognized in other comprehensive income)When a portion of a financial asset is transferred and the transferred portion as a whole meets the derecognition criteria, the carrying amount of the financial asset as a whole prior to the transfer shall be allocated between the portion derecognized and the portion retained based on their respective fair values at the date of transfer. The difference between the following two amounts shall be recognized in profit or loss for the period:(1) The carrying amount of the portion derecognized; (2) The consideration for the portion derecognized, plus the cumulative amount of changes in fair value previously recognized directly in other comprehensive income corresponding to the portion derecognized (where the transferred financial asset is a debt instrument investment measured at fair value with changes recognized in other comprehensive income).

4. Methods for Determining Fair Value of Financial Assets and Financial Liabilities

The Company determines the fair value of relevant financial assets and liabilities using valuation techniques that are appropriate in the current circumstances and supported by sufficient available data and other information. The Company categorizes the inputs used in valuation techniques into the following levels and applies them in the following order:

(1) Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that are observable at the measurement date;

(2) Level 2 inputs are inputs observable for the asset or liability, either directly or indirectly, other than Level 1 inputs. These include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; other observable inputs, such as interest rates and yield curves observable at regular quotation intervals; and inputs validated by market participants;

(3) Level 3 inputs are unobservable inputs for the relevant asset or liability, including interest rates that cannot be directly observed or verified by observable market data, equity volatilities, future cash flows from abandonment obligations in business combinations, and financial projections based on proprietary data.

5. Impairment of Financial Instruments

The Company assesses impairment of financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, contract assets,lease receivables, loan commitments not classified as financial liabilities at fair value through profit or loss, and financial guarantee contracts that do not qualify as financial liabilities at fair value through profit or loss or as financial liabilities arising from the transfer of financial assets that do not meet the criteria for derecognition or continued involvement in the transferred financial assets.

Expected credit losses refer to the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows due under the contract, discounted by the company's original effective interest rate, and the expected cash flows to be received

The present value of all cash shortfalls. For purchased or originated credit-impaired financial assets, the discount rate shall be the credit-adjusted effective interest rate of the financial asset.

For purchased or originated credit-impaired financial assets, the company recognizes only the cumulative change in expected credit losses over the entire remaining life of the asset since initial recognition as a loss allowance at the balance sheet date.

For lease receivables, receivables arising from transactions governed by Accounting Standard for Business Enterprises No. 14—Revenue, and contract assets, the company employs a simplified measurement approach, measuring the allowance for credit losses at an amount equivalent to the expected credit losses over the entire remaining life of the asset.

For financial assets not subject to the above measurement methods, the Company assesses at each balance sheet date whether credit risk has significantly increased since initial recognition. If credit risk has significantly increased since initial recognition, the Company measures the loss allowance based on the expected credit loss over the entire remaining life of the asset. If credit risk has not significantly increased since initial recognition, the Company measures the loss allowance based on the expected credit loss over the next 12 months for that financial instrument.

The Company uses available reasonable and supportable information, including forward-looking information, to determine whether credit risk has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition.

At the balance sheet date, if the company determines that a financial instrument has only a low credit risk, it assumes that the credit risk of that financial instrument has not significantly increased since initial recognition.

The Company assesses expected credit risk and measures expected credit losses on an individual financial instrument or portfolio basis. When using a portfolio basis, the Company groups financial instruments into different portfolios based on common risk characteristics.

The Company re-measures expected credit losses at each balance sheet date. The resulting increase or reversal in the allowance for credit losses is recognized as an impairment loss or gain in profit or loss for the period.For financial assets measured at amortized cost, the allowance for credit losses reduces the carrying amount of the financial asset presented in the balance sheet. For debt investments measured at fair value with changes recognized in other comprehensive income, the Company recognizes the allowance for credit losses in other comprehensive income and does not reduce the carrying amount of the financial asset.

6. Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are presented separately on the balance sheet and are not offset against each other. However, the Company presents the net amount after offsetting on the balance sheet if both of the following conditions are met: (1) The Company has a legally enforceable right to offset the recognized amounts, and such right is currently enforceable; (2) The Company intends to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

For transfers of financial assets that do not meet the criteria for derecognition, the company does not offset the transferred financial assets and related liabilities.

(11) Recognition Criteria and Provisioning Method for Expected Credit Losses on Receivables

1. Receivables for which expected credit losses are recognized by credit risk category

Portfolio Categories	Basis for Determining the Portfolio	Method for measuring expected credit losses
Commercial Accepted Bills Receivable	Bill Type	Based on historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the expected credit loss is calculated using the exposure at default and the expected credit loss rate over the entire life of the exposure. Expected Credit Loss
Accounts Receivable—Ageing Portfolio	Ageing	Based on historical credit loss experience, current conditions, and forecasts of future economic conditions, a table correlating the aging of accounts receivable with expected credit loss rates is compiled to calculate expected credit losses. Expected Credit Loss

2. Criteria for Identifying Receivables and Contract Assets Subject to Individual Expected Credit Loss Allocation

For receivables where credit risk differs significantly from portfolio credit risk, the company recognizes expected credit losses on an individual basis.

(12) Classification of Inventories

1. Classification of inventory

Inventories include finished goods or merchandise held for sale in the ordinary course of business, work in progress, and materials and supplies consumed in the production process or in the rendering of services.

2. Valuation Method for Issued Inventory

Inventory issued is valued using the weighted average method at the end of the month.

3. Inventory Counting System

Inventory is managed under a perpetual inventory system.

4. Amortization Method for Low-Value Consumables and Packaging Materials

(1) Low-value consumables

Amortized using the one-time write-off method.

(2) Packaging materials

Amortized using the one-time write-off method.

5. Inventory Valuation Allowance

(1) Recognition Criteria and Calculation Method for Inventory Valuation Allowance

On the balance sheet date, inventory is measured at the lower of cost and net realizable value. An allowance for inventory impairment is recognized for the difference where cost exceeds net realizable value. For inventory held for sale in the ordinary course of business, net realizable value is determined as the estimated selling price less estimated selling expenses and related taxes. For inventory requiring further processing, net realizable value is determined as the estimated selling price of finished goods produced in the ordinary course of business less estimated costs to be incurred until completion.

estimated selling expenses and related taxes and fees. For inventory requiring further processing, the net realizable value is determined by subtracting the estimated costs to be incurred until completion, estimated selling expenses, and related taxes and fees from the estimated selling price of the finished goods produced during normal production and operations.At the balance sheet date, if part of the same inventory has a contract price while the other part does not, determine their respective net realizable values separately. Compare these values with their corresponding costs to determine the amount of inventory valuation allowance to be accrued or reversed separately.

(13) Long-term Equity Investments

1. Determination of Joint Control and Significant Influence

Joint control exists when parties share control over an arrangement as defined by relevant agreements, and decisions regarding the arrangement's activities require unanimous consent from all parties sharing control. Significant influence exists when a party has the power to participate in the financial and operating policy decisions of the investee but lacks the ability to control or jointly control the formulation of these policies with others.

2. Determination of Investment Cost

(1) For business combinations under common control, where the acquirer pays cash, transfers non-cash assets, assumes liabilities, or issues equity securities as consideration, the initial investment cost is determined at the acquisition date based on the proportionate share of the book value of the acquiree's equity in the ultimate controlling party's consolidated financial statements.The difference between the initial investment cost of a long-term equity investment and the carrying amount of the merger consideration paid or the aggregate par value of shares issued shall adjust capital surplus. If capital surplus is insufficient to cover the difference, retained earnings shall be adjusted.

For long-term equity investments arising from business combinations under common control achieved through multiple transactions, determine whether they constitute a "single transaction." If they do, account for each transaction as a single transaction to obtain control.For transactions not classified as a "single transaction," the initial investment cost is determined on the acquisition date based on the share of the net assets of the acquiree that the acquirer would have held in the consolidated financial statements of the ultimate controlling party.The difference between the initial investment cost of the long-term equity investment on the merger date and the sum of the pre-merger carrying value of the long-term equity investment plus the carrying value of the additional consideration paid for acquiring further shares on the merger date shall adjust capital surplus. If capital surplus is insufficient to cover the adjustment, retained earnings shall be adjusted.

(2) For long-term equity investments arising from business combinations not under common control, the initial investment cost is determined at the acquisition date based on the fair value of the consideration paid.

For long-term equity investments formed through a series of transactions in a step acquisition under a non-common-control business combination, separate accounting treatments apply for individual and consolidated financial statements:

1) In separate financial statements, the initial investment cost under the cost method shall be determined as the sum of the original carrying amount of the equity investment and the new investment cost.

2) In consolidated financial statements, determine whether the transaction qualifies as a "package deal". If it qualifies as a "package deal", account for all transactions as a single transaction to obtain control.For transactions not classified as a "package deal," the equity interest in the acquiree held prior to the acquisition date shall be remeasured at its fair value on the acquisition date. The difference between the fair value and the carrying amount shall be recognized as investment income for the current period. If the equity interest in the acquiree held prior to the acquisition date involves other comprehensive income under the equity method, the related other comprehensive income shall be reclassified to income for the period in which the acquisition date falls.However, this excludes other comprehensive income arising from changes in the net liability or net assets of a defined benefit plan due to the remeasurement of the investee.

(3) For investments acquired outside of a business combination:-For those acquired by paying cash, the initial investment cost is the actual purchase price paid.-For those acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.-For those acquired through debt restructuring, the initial investment cost is determined in accordance with Accounting Standard for Business Enterprises No. 12—Debt Restructuring.

For those acquired through non-monetary asset exchanges, the initial investment cost shall be determined in accordance with Accounting Standard for Business Enterprises No. 7—Non-monetary Asset Exchanges.

3. Subsequent Measurement and Profit/Loss Recognition Methods

Long-term equity investments in investees over which control is exercised shall be accounted for using the cost method. Long-term equity investments in associates and joint ventures shall be accounted for using the equity method.

4. Treatment of Disposal of Subsidiary Investments Through Multiple Transactions Until Loss of Control

(1) Principles for Determining Whether a Transaction Constitutes a "Single Transaction"

When disposing of an equity investment in a subsidiary through multiple transactions until control is lost, the company determines whether the step-by-step transactions constitute a "single transaction" by considering the terms of the transaction agreements for each step, the consideration received separately, the transferee of the equity interest, the method of disposal, and the timing of disposal. The terms, conditions, and economic effects of the transactions typically indicate that multiple transactions constitute a "single transaction" if one or more of the circumstances apply:

1) These transactions were entered into simultaneously or with consideration of their mutual impact;

2) The transactions collectively achieve a complete business outcome;

3) The occurrence of one transaction depends on the occurrence of at least one other transaction;

4) A transaction is uneconomical when considered in isolation but becomes economical when considered together with other transactions.

(2) Accounting Treatment for Transactions Not Constituting a "Package Deal"

1) Individual Financial Statements

For the disposed equity interest, the difference between its carrying amount and the actual proceeds received is recognized in profit or loss for the period. For the remaining equity interest, if significant influence over the investee continues or joint control is exercised with other parties, it is transferred to equity method accounting; if control, joint control, or significant influence over the investee can no longer be exercised, it is accounted for in accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 22—Financial Instruments: Recognition and Measurement.

Recognition and Measurement."

2) Consolidated Financial Statements

Prior to loss of control, the difference between the disposal proceeds and the investor's share of the subsidiary's net assets (calculated continuously from the acquisition date or consolidation date)shall adjust capital surplus (capital premium).If capital surplus is insufficient, retained earnings shall be reduced.

Upon loss of control over a former subsidiary, the remaining equity interest shall be remeasured at its fair value as of the date of loss of control. The difference between the aggregate of the consideration received from the disposal of the equity interest and the fair value of the remaining equity interest, and the share of the subsidiary's net assets continuously calculated from the acquisition date or consolidation date attributable to the original equity interest, shall be recognized as investment income in the period of loss of control and simultaneously offset against goodwill.Other comprehensive income related to the original equity investment in the subsidiary shall be reclassified to investment income in the period of loss of control.

(3) Accounting Treatment for "Bundled Transactions"

1) Separate Financial Statements

Each transaction is accounted for as a disposal of a subsidiary and loss of control. However, the difference between the disposal proceeds and the carrying amount of the long-term equity investment corresponding to the disposed investment prior to the loss of control is recognized in other comprehensive income in the separate financial statements. This amount is transferred to profit or loss in the period of loss of control.

2) Consolidated Financial Statements

Each transaction is accounted for as a disposal of a subsidiary and loss of control. However, the difference between the disposal proceeds and the share of the subsidiary's net assets corresponding to the investment disposed of prior to the loss of control is recognized in other comprehensive income in the consolidated financial statements and transferred to profit or loss in the period of loss of control.

(14) Fixed Assets

1. Criteria for Recognition of Fixed Assets

Fixed assets refer to tangible assets held for the production of goods, provision of services, leasing, or management operations, with a useful life exceeding one accounting period. Fixed assets are recognized when both the following conditions are met: the inflow of economic benefits is probable, and the cost can be measured reliably.

2. Depreciation Methods for Different Types of Fixed Assets

Category Category	Depreciation Method	Depreciation Period (Years)	Residual Value Rate (%)	Annual Depreciation Rate (%)
Buildings	Straight-line Method	30-40	5	2.38–3.17
Specialized Equipment	Straight-line method	9-14	5	6.79–10.56
Transportation Equipment	Straight-line method	6	5	15.83
Category Category	Depreciation Method	Depreciation Period (Years)	Residual Value Rate (%)	Annual Depreciation Rate (%)
Power Equipment	Straight-line Method	9	5	10.56
Lifting Equipment	Straight-line method	9	5	10.56
Instruments and Meters	Straight-line method	6	5	15.83
Other Equipment	Straight-line method	8-20	5	4.75–11.88

(15) Construction in Progress

1. Construction in progress is recognized when both the following conditions are met: it is probable that future economic benefits will flow from the asset, and its cost can be measured reliably. Construction in progress is measured at the actual costs incurred to bring the asset to its intended usable state.

2. When a construction-in-progress project reaches its intended usable state, it is transferred to fixed assets at its actual cost. Projects that have reached their intended usable state but have not yet completed final settlement are first transferred to fixed assets at estimated value. After final settlement is completed, the original estimated value is adjusted to actual cost, but previously accrued depreciation is not adjusted.

Category Classification	Criteria and Timing for Transferring Construction in Progress to Fixed Assets
Buildings and Structures	Project completion and readiness for intended use
Machinery and Equipment	Completion of installation and commissioning meeting design requirements, and completion of trial production

(16) Borrowing Costs

1. Principles for Capitalizing Borrowing Costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of assets meeting capitalization criteria shall be capitalized and included in the cost of the relevant assets. Other borrowing costs shall be recognized as expenses when incurred and included in profit or loss for the period.

2. Period for Capitalization of Borrowing Costs

(1) Borrowing costs shall be capitalized when all of the following conditions are met: 1) Asset expenditures have been incurred; 2) Borrowing costs have been incurred; 3) Construction, acquisition, or production activities necessary to bring the asset to its intended usable or saleable state have commenced.

(2) If the construction or production of an asset that meets the capitalization criteria is interrupted abnormally and the interruption lasts exceeds three consecutive months, capitalization of borrowing costs is suspended. Borrowing costs incurred during the interruption period are recognized as expenses of the current period until the construction or production of the asset resumes.

(3) Capitalization of borrowing costs ceases when the asset being acquired, constructed, or produced reaches its intended usable or saleable state.

3. Interest Capitalization Rate and Capitalized Amount

For specific borrowings incurred to acquire or construct an asset qualifying for capitalization, the interest rate shall be the actual interest rate incurred during the period for such specific borrowings.

Interest expense (including the amortization of discounts or premiums determined using the effective interest method), less interest income earned by depositing unused borrowed funds in banks or investment income from temporary investments, determines the amount of interest to be capitalized;For general borrowings used to acquire or construct assets that meet capitalization criteria, the interest amount to be capitalized shall be calculated by multiplying the weighted average of asset expenditures exceeding those of specific borrowings by the capitalization rate applicable to general borrowings.

(17) Intangible Assets

1. Intangible assets include land use rights, software usage rights, patented technologies, and non-patented technologies.

2. Intangible assets with finite useful lives shall be amortized systematically and reasonably over their useful lives in accordance with the expected pattern of realization of the economic benefits associated with the intangible asset. Where the expected pattern of realization cannot be reliably determined, the straight-line method shall be used. Specific provisions are as follows:

Item Item	Useful Life and Basis for Determination	Amortization Method
Land Use Rights	Determination of useful life based on property rights registration period: 50 years	Straight-line method
Software Usage Rights	Useful life determined based on expected benefit period: 3-10 years	Straight-line method
Patented technology	Useful life determined based on expected benefit period: 5 years	Straight-line method
Non-patented technology	Determining the useful life based on the expected benefit period as 3-5 years	Straight-line method

Intangible assets with indefinite useful lives are not amortized. The company reviews the useful life of such intangible assets in each accounting period.

3. Scope of Aggregation for R&D Expenditures

(1) Personnel labor costs

Personnel labor costs include salaries and wages, basic pension insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work injury insurance premiums, maternity insurance premiums, and housing provident fund contributions for the company's R&D personnel.

When R&D personnel work on multiple research and development projects simultaneously, labor costs are allocated proportionally among the different projects based on the time records provided by the company's management department.

(2) Direct Input Costs

Direct input costs refer to actual expenditures incurred by the company for conducting R&D activities. These include: 1) Directly consumed materials, fuel, and power costs; 2) Inspection fees for trial products; 3) Costs for operation, maintenance, adjustment, inspection, testing, and repair of instruments and equipment used in R&D activities.

(3) Depreciation Expenses and Long-Term Prepaid Expenses

Depreciation expenses refer to the depreciation costs of instruments, equipment, and buildings in use for R&D activities.

Long-term deferred expenses refer to expenses incurred during the renovation, modification, decoration, and repair of R&D facilities. These are collected based on actual expenditures and amortized evenly over a specified period.

(4) Amortization Expenses for Intangible Assets

Amortization expenses for intangible assets refer to the amortization costs of software usage rights, patented technologies, and non-patented technologies used in research and development activities.

(5) Other Expenses

Other expenses refer to expenses directly related to research and development activities that are not included in the above categories, including expert consultation fees, expenses for searching, demonstrating, reviewing, appraising, and accepting R&D results, intellectual property application fees, registration fees, agency fees, meeting expenses, travel expenses, communication expenses, etc.

4. Expenses incurred during the research phase of internal R&D projects are recognized as current period expenses when incurred. Expenses incurred during the development phase of internal R&D projects are recognized as intangible assets if all of the following conditions are met: (1) It is technically feasible to complete the intangible asset so that it can be used or sold; (2) There is an intention to complete the intangible asset and use or sell it;(3) The manner in which the intangible asset will generate economic benefits, including evidence of a market for products incorporating the asset or a market for the asset itself, or evidence of usefulness if the asset will be used internally; (4) Sufficient technical, financial, and other resources are available to complete the development and to use or sell the asset; (5) Expenditures attributable to the development stage can be measured reliably.

(18) Partial Impairment of Long-Term Assets

For long-term assets such as long-term equity investments, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives, if there are indications of impairment at the balance sheet date, their recoverable amount shall be estimated. Goodwill arising from business combinations and intangible assets with indefinite useful lives shall be tested for impairment annually, regardless of whether there are indications of impairment. Goodwill shall be tested for impairment in conjunction with the related asset group or group of assets.

If the recoverable amount of the aforementioned long-term assets is lower than their carrying amount, an asset impairment allowance is recognized for the difference and included in profit or loss for the current period.

(19) Deferred Expenses

Deferred expenses account for expenditures incurred with an amortization period exceeding one year (excluding one year). Deferred expenses are recorded at actual cost and amortized evenly over the benefit period or specified term. If a deferred expense item no longer benefits future accounting periods, the entire unamortized balance of that item is transferred to profit or loss for the current period.

(XX) Employee Compensation

1. Employee benefits comprise short-term compensation, post-employment benefits, termination benefits, and other long-term employee benefits.

2. Accounting Treatment of Short-Term Compensation

During the accounting period in which employees render services to the company, actual short-term compensation incurred is recognized as a liability and included in current period profit or loss

or the cost of related assets.

3. Accounting Treatment of Post-Employment Benefits

Post-employment benefits are classified as defined contribution plans and defined benefit plans.

(1) During the accounting period in which employees provide services to the company, the amount payable calculated under defined contribution plans is recognized as a liability and included in current period profit or loss or the cost of related assets.

(2) The accounting treatment for defined benefit plans typically involves the following steps:

1) Using unbiased and consistent actuarial assumptions, estimate relevant demographic and financial variables to measure the obligation arising from the defined benefit plan under the projected unit credit method. Determine the period to which the obligation relates. Simultaneously, discount the obligation arising from the defined benefit plan to determine the present value of the defined benefit obligation and the current service cost;

2) Where the defined benefit plan holds assets, recognize the deficit or surplus formed by deducting the fair value of plan assets from the present value of the defined benefit obligation as a net liability or net asset of the defined benefit plan. Where the defined benefit plan has a surplus, measure the net asset of the defined benefit plan at the lower of the surplus and the asset ceiling;

3) At the end of the period, the employee compensation cost arising from the defined benefit plan is recognized as three components: service cost, net interest on the defined benefit liability or net assets, and changes arising from the remeasurement of the defined benefit liability or net assets. Service cost and net interest on the net liability or net asset of the defined benefit plan are recognized in profit or loss for the period or in the cost of related assets. Changes arising from the remeasurement of the net liability or net asset of the defined benefit plan are recognized in other comprehensive income and are not permitted to be reversed to profit or loss in subsequent accounting periods. However, amounts recognized in other comprehensive income may be transferred within equity.

4. Accounting Treatment for Termination Benefits

The employee termination benefits provided to employees shall be recognized as a liability for employee compensation when the earlier of the following two events occurs, and shall be included in profit or loss for the current period: (1) When the company cannot unilaterally withdraw the termination benefits offered due to the termination of employment relationship plan or redundancy proposal;

(2) When the company recognizes costs or expenses related to the restructuring involving the payment of termination benefits.

5. Accounting Treatment for Other Long-Term Employee Benefits

Other long-term benefits provided to employees that meet the criteria for defined contribution plans shall be accounted for in accordance with the relevant provisions for defined contribution plans. Other long-term benefits not covered by the above shall be accounted for in accordance with the relevant provisions for defined benefit plans. To simplify the accounting treatment, the employee compensation costs arising therefrom shall be recognized as the net total of components such as service cost, net interest on the net liability or net asset for other long-term employee benefits, and changes arising from the remeasurement of the net liability or net asset for other long-term employee benefits, and shall be included in profit or loss for the period or the cost of related assets.

(21) Contingent Liabilities

1. When obligations arising from contingencies such as guarantees provided to external parties, litigation matters, product quality guarantees, or loss-making contracts become the Company's present obligations, and the fulfillment of such obligations is likely to result in an outflow of economic benefits from the Company, and the amount of the obligation can be reliably measured, the Comp

When an obligation arising from contingent events such as external guarantees, litigation matters, product quality guarantees, or loss-making contracts becomes a present obligation of the company, and the fulfillment of this obligation is likely to result in an outflow of economic benefits from the company, and the amount of the obligation can be reliably measured, the company recognizes this obligation as a provision.

2. The Company initially measures the contingent liability at the best estimate of the expenditure required to settle the present obligation and reviews the carrying amount of the contingent liability at each balance sheet date.

(XXII) Revenue

1. Revenue Recognition Principles

At the contract commencement date, the company evaluates the contract, identifies the individual performance obligations contained in the contract, and determines whether each individual performance obligation is satisfied over time or at a point in time.

A performance obligation is satisfied over time if any of the following conditions are met; otherwise, it is satisfied at a point in time:(1) The customer obtains and consumes the economic benefits from the Company's performance simultaneously with the Company's performance; (2) The customer can control the goods under construction during the Company's performance; (3) The goods produced during the Company's performance have a non-substitutable use, and the Company has the right to collect payment for the cumulative portion of performance completed to date throughout the contract period.

For performance obligations fulfilled over time, the company recognizes revenue over that period based on the stage of completion. When the stage of completion cannot be reasonably determined, revenue is recognized based on costs incurred to the extent those costs are expected to be recoverable, until the stage of completion can be reasonably determined. For performance obligations fulfilled at a point in time, revenue is recognized when the customer obtains control of the relevant goods or services.In determining whether the customer has obtained control of the goods, the company considers the following indicators: (1) The company holds a present right to receive payment for the goods, meaning the customer has a present obligation to pay for them; (2) The company has transferred legal title to the goods to the customer, meaning the customer holds legal ownership of the goods; (3) The company has transferred physical possession of the goods to the customer, meaning the customer has physical control of the goods;(4) The Company has transferred the significant risks and rewards of ownership to the customer, meaning the customer has assumed the significant risks and rewards associated with ownership of the goods; (5) The customer has accepted the goods; (6) Other indications that the customer has obtained control of the goods.

2. Revenue Recognition Principles

(1) The Company measures revenue based on the transaction price allocated to each specific performance obligation. The transaction price is the consideration the Company expects to be entitled to receive for transferring goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer.

(2) Where variable consideration exists in a contract, the Company determines the best estimate of variable consideration based on the expected value or the most probable amount. However, the transaction price including variable consideration shall not exceed the amount for which it is highly probable that no significant reversal of the cumulative revenue recognized will occur when the related uncertainty is resolved.

(3) Where a contract contains a significant financing component, the company determines the transaction price based on the assumption that the customer pays the amount due for the goods or services at the time the customer obtains control of them.

The difference between this transaction price and the contract consideration is amortized over the contract period using the effective interest method.

(4) When a contract contains two or more performance obligations, the company allocates the transaction price to each performance obligation at the contract commencement date based on the relative proportion of the separate selling price of the goods promised for each performance obligation.

3. Specific Method for Revenue Recognition

The Company's product sales constitute a point-in-time performance obligation, with revenue recognized when the customer obtains control of the relevant goods or services.

(23) Contract Acquisition Costs and Contract Performance Costs

Incremental costs incurred by the company to obtain a contract that are expected to be recovered are recognized as contract acquisition costs and recorded as an asset. If the amortization period for contract acquisition costs does not exceed one year, they are recognized directly in profit or loss for the period incurred.

Contract performance costs incurred by the Company that do not fall within the scope of relevant standards for inventory, fixed assets, or intangible assets, and that simultaneously meet the following conditions, are recognized as an asset:

1. The costs are directly attributable to a current or expected contract, including direct labor, direct materials, manufacturing overhead (or similar costs), costs explicitly borne by the customer, and other costs incurred solely for that contract;

2. The costs increase the resources available to the company for future contract performance;

3. The costs are expected to be recoverable.

The company amortizes assets related to contract costs over the same basis as the recognition of revenue from the related goods or services, charging the amortization to profit or loss for the period.

If the carrying amount of an asset related to contract costs exceeds the estimated remaining consideration expected to be received from the transfer of goods or services related to that asset, less estimated costs to be incurred, the company recognizes an impairment loss for the excess amount.If factors that caused impairment in prior periods subsequently change such that the remaining consideration expected to be received from the transfer of goods or services related to the asset, less estimated costs to be incurred, exceeds the asset's carrying amount, the previously recognized impairment loss is reversed and recognized in profit or loss for the period. However, the carrying amount of the asset after reversal shall not exceed the carrying amount that would have been recognized for the asset on the reversal date had no impairment loss been recognized.

(24) Contract Assets and Contract Liabilities

The Company presents contract assets or contract liabilities on the balance sheet based on the relationship between the fulfillment of performance obligations and customer payments. The Company offsets contract assets and contract liabilities arising from the same contract and presents them on a net basis.

The Company presents its unconditional right (i.e., contingent only on the passage of time) to receive consideration from customers as accounts receivable. Rights to receive consideration for goods transferred to customers that are contingent on factors other than the passage of time

as contract assets.

The Company presents obligations to transfer goods to customers in exchange for consideration received or receivable as contract liabilities.

(25) Government Grants

1. Government grants are recognized when both of the following conditions are met: (1) The company can satisfy the conditions attached to the government grant;

(2) The Company is able to receive the government grant. When the government grant is a monetary asset, it is measured at the amount received or receivable. When the government grant is a non-monetary asset, it is measured at fair value; if fair value cannot be reliably determined, it is measured at its nominal amount.

2. Criteria for Determining Asset-Related Government Grants and Accounting Treatment

Government grants specified in official documents as being used for the acquisition, construction, or other formation of long-term assets are classified as asset-related government grants. Where official documents are unclear, the determination is based on the fundamental conditions required to obtain the grant. Grants contingent upon the acquisition, construction, or other formation of long-term assets are classified as asset-related government grants. Asset-related government grants reduce the carrying amount of the related asset or are recognized as deferred income.Government grants related to assets recognized as deferred income shall be recognized in profit or loss over the useful life of the related asset using a reasonable and systematic method. Government grants measured at nominal value shall be recognized directly in profit or loss for the current period. If the related asset is sold, transferred, scrapped, or destroyed before the end of its useful life, the unallocated balance of the related deferred income shall be transferred to profit or loss for the period in which the asset is disposed of.

3. Criteria for Determining and Accounting for Income-Related Government Grants

Government grants other than those related to assets are classified as income-related government grants. For grants containing both asset-related and income-related components that cannot be distinguished, the entire grant is classified as income-related.Government grants related to income that compensate for future costs, expenses, or losses are recognized as deferred income. They are recognized in profit or loss for the period when the related costs, expenses, or losses occur, or offset against related costs. Government grants that compensate for costs, expenses, or losses already incurred are recognized directly in profit or loss for the period or offset against related costs.

4. Government grants related to the company's ordinary activities shall be recognized as other income or offset against related costs based on the economic substance of the transaction. Government grants unrelated to the company's ordinary activities shall be recognized as non-operating income or expense.

5. Accounting Treatment for Policy-Based Interest Subsidy Loans

(1) When the finance department allocates interest subsidy funds to the lending bank, which then provides loans to the company at preferential policy rates, the actual amount of the loan received is recorded as the carrying amount of the loan. Related borrowing costs are calculated based on the principal amount of the loan and the preferential policy interest rate.

(2) When the finance department disburses interest subsidy funds directly to the company, the corresponding subsidy amount shall be deducted from the related borrowing costs.

(26) Deferred Tax Assets and Deferred Tax Liabilities

1. Deferred income tax assets or liabilities are recognized based on the difference between the carrying amount of an asset or liability and its tax basis (or, for items not recognized as assets or liabilities, the difference between their tax basis and carrying amount), using the tax rate expected to apply during the period in which the asset is recovered or the liability is settled.

where the tax basis can be determined in accordance with tax laws, the difference between such tax basis and the carrying amount) shall be recognized as a deferred income tax asset or deferred income tax liability at the applicable tax rate for the period in which the asset is expected to be recovered or the liability is expected to be settled.

2. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized. At the balance sheet date, if there is conclusive evidence that it is probable that sufficient taxable income will be available in future periods to utilize the deductible temporary differences, deferred tax assets not recognized in prior accounting periods are recognized.

3. At the balance sheet date, the carrying amount of a deferred tax asset is reviewed. If it is probable that sufficient taxable income will not be available in future periods to utilize the benefit of the deferred tax asset, the carrying amount of the deferred tax asset is written down. The amount written down is reversed when it becomes probable that sufficient taxable income will be available.

4. Current income tax and deferred income tax are recognized as income tax expense or income in the current period's profit or loss, except for income tax arising from: (1) business combinations; and (2) transactions or events recognized directly in equity.

5. The Company presents deferred tax assets and deferred tax liabilities on a net basis when both of the following conditions are satisfied:(1) the entity has a legally enforceable right to offset current tax assets against current tax liabilities;(2) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity, or relate to different taxable entities but where, in each future period in which significant deferred tax assets and deferred tax liabilities are reversed, the taxable entities intend to settle current tax assets and current tax liabilities on a net basis or simultaneously acquire assets and settle liabilities.

(27) Leases

1. Company as Lessee

At the commencement date of the lease term, the Company classifies leases with a term not exceeding 12 months and without a purchase option as short-term leases. Leases involving a single leased asset that is new at the time of lease commencement and has a low value are classified as low-value asset leases. If the Company subleases or expects to sublease the leased asset, the original lease is not classified as a low-value asset lease.

For all short-term leases and low-value asset leases, the company allocates lease payments over the lease term using the straight-line method to the relevant asset cost or current period profit or loss.

Except for the simplified treatment applied to short-term leases and low-value asset leases as described above, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease term.

(1) Right-of-Use Asset

Right-of-use assets are initially measured at cost, which includes: 1) the initial measurement amount of the lease liability; 2) lease payments made on or before the commencement date of the lease term, less the amount of any lease incentives received;

3) initial direct costs incurred by the lessee; and 4) costs the lessee expects to incur to dismantle and remove the leased asset, restore the site where the leased asset is located

or restore the leased premises to the condition required by the lease terms.

The Company depreciates right-of-use assets using the straight-line method. Where it can be reasonably determined that ownership of the leased asset will be obtained at the end of the lease term, the Company depreciates the asset over its remaining useful life. Where it cannot be reasonably determined that ownership will be obtained at the end of the lease term, the Company depreciates the asset over the shorter of the lease term and the remaining useful life of the asset.

(2) Lease Liabilities

At the commencement of the lease term, the Company recognizes the present value of unpaid lease payments as a lease liability. The present value of lease payments is calculated using the implicit interest rate of the lease as the discount rate. If the implicit interest rate cannot be determined, the Company uses its incremental borrowing rate as the discount rate.The difference between the lease payments and their present value is recognized as unrecognized financing costs. Interest expense is recognized in each lease period using the discount rate that would have been used to discount the present value of the lease payments, and is included in profit or loss for the period. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when incurred.

After the commencement date of the lease term, if any of the following changes occur:the Company remeasures the lease liability at the present value of the revised lease payments and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero but the lease liability requires further reduction, the remaining amount is recognized in profit or loss for the period.

2. The Company as Lessor

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

(1) Operating leases

The Company recognizes lease payments as rental income on a straight-line basis over the lease term. Initial direct costs are capitalized and allocated to the lease term on the same basis as rental income recognition, with the amounts charged to profit or loss over the lease term. Variable lease payments related to operating leases that are not included in the lease payments are recognized in profit or loss when incurred.

(2) Finance Lease

At the commencement date of the lease term, the company recognizes a finance lease receivable based on the net investment in the lease (the sum of the unguaranteed residual value and the present value of lease payments not yet received at the commencement date, discounted at the implicit interest rate of the lease) The finance lease asset is derecognized at this time. During each period of the lease term, the company calculates and recognizes interest income based on the implicit interest rate of the lease.

Variable lease payments received by the company that are not included in the measurement of the net investment in the lease are recognized in profit or loss when incurred.

3. Sale and Leaseback

(1) Company as Lessee

The Company assesses whether the transfer of assets in a sale-and-leaseback transaction constitutes a sale in accordance with Accounting Standard for Business Enterprises No. 14 — Revenue.

If the asset transfer in a sale-and-leaseback transaction qualifies as a sale, the Company measures the right-of-use asset arising from the sale-and-leaseback at the portion of the original carrying amount of the asset related to the right-of-use obtained under the lease. The Company recognizes a gain or loss only on the rights transferred to the lessor.

If the asset transfer in a sale-and-leaseback transaction does not constitute a sale, the company continues to recognize the transferred asset and simultaneously recognizes a financial liability equal to the transfer proceeds. This financial liability is accounted for in accordance with Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments.

(2) Company as Lessor

The company assesses whether the asset transfer in a sale-and-leaseback transaction constitutes a sale in accordance with the provisions of Accounting Standard for Business Enterprises No. 14 — Revenue.

If the asset transfer in a sale-and-leaseback transaction constitutes a sale, the company accounts for the asset purchase in accordance with other applicable enterprise accounting standards and accounts for the asset lease in accordance with Enterprise Accounting Standard No. 21 — Leases.

If the asset transfer in a sale-and-leaseback transaction does not constitute a sale, the company does not recognize the transferred asset but recognizes a financial asset equal to the transfer proceeds and accounts for this financial asset in accordance with Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments.

(28) Work Safety Expenses

The Company follows the "Measures for the Extraction and Use of Enterprise Work Safety Expenses" (Cai Zi [2016] No. 11) issued by the Ministry of Finance and the Ministry of Emergency Management.

Safety production fees extracted in accordance with the provisions of Circular No. 136 [2022] shall be included in the cost of relevant products or current period profit or loss, and simultaneously recorded in the "Special Reserve" account.When utilizing the extracted safety production funds, expenses shall be directly deducted from the special reserve. Expenditures forming fixed assets shall be accumulated through the "Construction in Progress" account and recognized as fixed assets upon completion of the safety project and attainment of its intended usable state. Concurrently, the special reserve shall be reduced by the cost of the fixed asset formed, and an equal amount of accumulated depreciation shall be recognized. Such fixed assets shall not be depreciated in subsequent periods.

(29) Segment Reporting

The Company determines its operating segments based on internal organizational structure, management requirements, and internal reporting systems. An operating segment of the Company is a component that meets all of the following criteria:

1. The component generates revenues and incurs expenses in the ordinary course of business;
2. Management regularly evaluates the segment's operating results to allocate resources and assess its performance;
3. Financial information, including the segment's financial position, results of operations, and cash flows, is regularly analyzed.

(30) Other Significant Accounting Policies and Estimates

1. Basis for Adopting Hedge Accounting and Accounting Treatment Methods

(1) Hedges include fair value hedges.

(2) Hedge accounting is applied to hedges meeting the following conditions: 1) The hedging relationship consists solely of qualifying hedging instruments and hedged items; 2) At the inception of the hedge, the Company formally designates the hedging instruments and hedged items and prepares written documentation regarding the hedging relationship and the Company's risk management strategy and objectives for engaging in the hedge; 3) The hedging relationship meets hedge effectiveness requirements.

The Company recognizes a hedge relationship as meeting hedge effectiveness requirements when the hedge simultaneously satisfies the following conditions: 1) An economic relationship exists between the hedged item and the hedging instrument; 2) The impact of credit risk is not predominant in the value changes arising from the economic relationship between the hedged item and the hedging instrument;3) The hedge ratio for the hedging relationship equals the ratio of the Company's actual hedged item quantity to the actual quantity of hedging instruments used, without reflecting any imbalance in the relative weightings of the hedged item and hedging instruments.

The company continuously assesses whether the hedging relationship meets hedge effectiveness requirements at the inception date and in subsequent periods. If the hedging relationship no longer meets hedge effectiveness requirements due to the hedge ratio, but the risk management objective designated for that hedging relationship remains unchanged, the company rebalances the hedging relationship.

(3) Hedge Accounting Treatment

1) Fair Value Hedge

① Gains or losses arising from the hedging instrument are recognized in profit or loss for the period. If the hedging instrument is used to hedge a non-trading equity instrument (or a component thereof) designated at fair value through other comprehensive income, gains or losses arising from the hedging instrument are recognized in other comprehensive income.

② Gains or losses arising from the risk exposure of the hedged item are recognized in profit or loss for the period, while simultaneously adjusting the carrying amount of the recognized hedged item not measured at fair value.When the hedged item is classified as a financial asset (or its component) measured at fair value with changes recognized in other comprehensive income pursuant to Paragraph 18 of Accounting Standard for Business Enterprises No. 22—Financial Instruments: Recognition and Measurement, gains or losses arising from the hedged risk exposure are recognized in profit or loss for the period. Its carrying amount is already measured at fair value and is not adjusted further.For hedged items that are non-trading equity instruments (or their components) that the company elects to measure at fair value with changes recognized in other comprehensive income, gains or losses arising from the hedged risk exposure are recognized in other comprehensive income. Their carrying amount is already measured at fair value and is not adjusted.

When the hedged item is an unrecognized firm commitment (or a component thereof), the cumulative change in fair value attributable to the hedged risk after designation of the hedging relationship is recognized as an asset or liability, with related gains or losses recognized in profit or loss for each relevant period. Upon fulfillment of the firm commitment to acquire an asset or assume a liability, the initial recognition amount of that asset or liability is adjusted to include the cumulative change in fair value of the hedged item already recognized.

the cumulative fair value changes of the hedged item already recognized.

When the hedged item is a financial instrument (or its component) measured at amortized cost, the Company amortizes the adjustment to the carrying amount of the hedged item using the effective interest rate recalculated as of the commencement date of amortization, and recognizes it in profit or loss for the period.Where the hedged item is a financial asset (or its component) classified as at fair value through other comprehensive income pursuant to Paragraph 18 of Accounting Standard for Business Enterprises No. 22—Financial Instruments: Recognition and Measurement, the cumulative recognized hedging gains or losses shall be amortized in the same manner and recognized in profit or loss for the period, without adjusting the carrying amount of the financial asset (or its component).

(31) Significant Changes in Accounting Policies

Changes in Accounting Policies Due to Changes in Accounting Standards

1. Effective January 1, 2024, the Company adopted the provisions of Interpretation No. 17 of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, "On the Classification of Current Liabilities and Non-current Liabilities." This change in accounting policy had no impact on the Company's financial statements.

2. Effective January 1, 2024, the Company adopted the provisions of Interpretation No. 17 of the Accounting Standards for Business Enterprises, "Disclosure of Supplier Financing Arrangements," issued by the Ministry of Finance.

3. Effective January 1, 2024, the Company adopted the provisions of Interpretation No. 17 of the Accounting Standards for Business Enterprises, "Accounting Treatment for Sale and Leaseback Transactions," issued by the Ministry of Finance. This change in accounting policy had no impact on the Company's financial statements.

4. Effective January 1, 2024, the Company will implement the provisions of Interpretation No. 18 of the Accounting Standards for Business Enterprises, "Accounting Treatment of Warranty-Type Quality Guarantees Not Classified as Individual Performance Obligations," issued by the Ministry of Finance. This change in accounting policy has no impact on the Company's financial statements.

IV. Taxation

(1) Major Tax Types and Rates

Tax Tax Base	Tax Base	Tax Rate
Value-Added Tax	The output tax is calculated based on the revenue from the sale of goods and taxable services as determined by tax laws. After deducting the input tax eligible for deduction during the current period, the difference constitutes the VAT payable. Tax	13%, 6%
Urban Maintenance and Construction Tax	Actual amount of circulation tax paid	7%, 5%
Education Surcharge	Actual turnover tax paid	3%
Local education surcharge	Actual amount of turnover tax paid	2%
Corporate income tax	Taxable Income	25%, 20%, 15%

Taxpayers Subject to Different Rates Corporate Income Tax Rate Explanation

Taxpayer Entity Name	Income Tax Rate
Changhong Sanjie New Energy (Suzhou) Co., Ltd.	25%
Changhong New Energy (Thailand) Co., Ltd.	20%[Note]
Other Taxpayers	15%

[Note] Changhong New Energy (Thailand) Co., Ltd. is registered in Thailand, where the applicable corporate income tax rate is 20%. (II) Tax Incentives

1. Tax Preferences for High-Tech Enterprises

Pursuant to Article 28 of the Enterprise Income Tax Law of the People's Republic of China, high-tech enterprises requiring key state support shall be subject to a reduced enterprise income tax rate of 15%.

(1) The Company was re-certified as a high-tech enterprise in October 2023, with certificate number GR202351000301. valid from October 16, 2023, to October 16, 2026. The Company's 2024 income tax shall be calculated and paid at a 15% rate.

(2) Zhejiang Changhong Feishi Electrical Appliance Industry Co., Ltd. (hereinafter referred to as Changhong Feishi) passed the high-tech enterprise re-certification in December 2023,

with certificate number GR202333006724, valid from December 8, 2023, to December 8, 2026.

. Changhong Feishi's 2024 income tax shall be calculated at a 15% tax rate.

(3) Changhong Sanjie New Energy Co., Ltd. (hereinafter referred to as Changhong Sanjie) passed the high-tech enterprise re-certification in December 2023

with certificate number GR202332017488, valid from December 13, 2023 to December 13, 2026

. Changhong Sanjie's 2024 income tax shall be calculated at a 15% tax rate.

(4) Shenzhen Changhong Juheyuan Technology Co., Ltd. (hereinafter referred to as Shenzhen Juheyuan) passed the high-tech enterprise re-certification in December 2023.

Re-certification of the technology enterprise, certificate number GR202344207296, valid from December 12, 2023, to December 12, 2026.

. Shenzhen Juheyuan's 2024 income tax is calculated at a 15% rate.

(5) Hunan Changhong Juheyuan Technology Co., Ltd. (hereinafter referred to as Hunan Juheyuan) passed the high-tech enterprise certification in October 2023

with certificate number GR202343003872, valid from October 16, 2023, to October 16, 2026

. Hunan Juheyuan's 2024 income tax is subject to a 15% tax rate.

2. Western Development Strategy

Pursuant to Tax Policies Concerning the In-depth Implementation of the Western Development Strategy (Cai Shui [2011] No.58) issued by the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration; the Announcement on Corporate Income Tax Issues Related to the In-depth Implementation of the Western Development Strategy (State Taxation Administration Announcement No. 12 of 2012); and the Announcement on Corporate Income Tax Issues Related to the Implementation of the Catalogue of Encouraged Industries in Western Regions (State Taxation Administration Announcement No. 14 of 2015) issued by the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission,

Encouraged Industries in Western Regions," State Taxation Administration Announcement No. 14 [2015], and the provisions of the Announcement on Extending the Corporate Income Tax Policy for the Western Development Strategy (Ministry of Finance Announcement No. 23 [2020]), Sichuan Changhong Jiechuang Lithium Battery Technology Co., Ltd. (hereinafter referred to as Jiechuang Lithium Battery) enjoys the corporate income tax preferential policy for the Western Development Strategy. In 2024, it will be subject to a 15% tax rate.

No. 23 of 2020), Sichuan Changhong Jiechuang Lithium Battery Technology Co., Ltd. (hereinafter referred to as Jiechuang Lithium Battery) enjoys the income tax preferential policy for the Western Development Strategy and shall pay corporate income tax at a rate of 15% in 2024.

V. Notes to Consolidated Financial Statement Items

(I) Notes to Consolidated Balance Sheet Items

1. Cash and Cash Equivalents

(1) Details

Item Item	Ending Balance	Beginning Balance
Bank Deposits [Note 1]	162,300,540.36	26,740,803.61
Other monetary funds	42,595,336.51	20,949,879.91
Deposits with financial companies [Note 2]	310,839,693.22	296,344,864.16
Interest receivable		157,218.05
Total Total	515,735,570.09	344,192,765.73
Of which: Total funds deposited overseas Amount	34,845,535.20	

[Note 1] RMB 1,732,220.04 of bank deposits at the end of the period is restricted due to judicial freezing. See Note V to the financial statements for details.

(1)21 of the Notes to the Financial Statements

[Note 2] Funds deposited with Sichuan Changhong Group Finance Co., Ltd. (hereinafter referred to as Changhong Group Finance Company, a non-bank financial institution approved by the China Banking and Insurance Regulatory Commission) totaled RMB 310,839,693.22 at the end of the period. Among these:

China Banking and Insurance Regulatory Commission) totaled RMB 310,839,693.22. Of this amount: RMB 168,174,778.67, time deposits of RMB 130,000,000.00, and security deposits of RMB 12,664,914.55.

(2) Other Notes

Details of other monetary funds are as follows:

Item Item	Ending Balance	Beginning Balance
Bank Acceptance Deposit	42,133,913.54	20,949,879.91
Forward Transaction Margin	461,422.97	
Total Total	42,595,336.51	20,949,879.91

2. Trading Financial Assets

Item Item	Ending Balance	Beginning Balance
Classified as financial assets at fair value through profit or loss in profit or loss		2,056,673.94
Item Item	Ending Balance	Beginning Balance
Total Total		2,056,673.94

3. Derivative Financial Assets

Item Item	Ending Balance	Beginning Balance
Foreign Exchange Derivatives	1,024,997.40	
Total Total	1,024,997.40	

4. Notes Receivable

(1) Details

Item Item	Ending Balance	Beginning Balance
Bank Accepted Bills		436,240,243.46
Commercial Accepted Bills	10,182,652.20	13,971,895.89
Total Total	10,182,652.20	450,212,139.35

(2) Details of Bad Debt Provision Accrual

1) Category Details

Category	Ending Balance				
	Book Balance		Bad Debt Allowance		Book Value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Individual Bad Debt Provision					
Of which: Bank Accepted Bills					
Pooled Provision for Bad Debts	10,772,437.49	100.00	589,785.29	5.47	10,182,652.20
Of which: Commercial Accepted Bills	10,772,437.49	100.00	589,785.29	5.47	10,182,652.20
Total	10,772,437.49	100.00	589,785.29	5.47	10,182,652.20

(Continued from previous table)

Category	Opening Balance				
	Book Balance		Allowance for Doubtful Accounts		Book Value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Individual Bad Debt Provision	436,240,243.46	96.82			436,240,243.46
Of which: Bank Accepted Bills	436,240,243.46	96.82			436,240,243.46
Provision for bad debts calculated by portfolio	14,350,909.27	3.18	379,013.38	2.64	13,971,895.89
Of which: Commercial Accepted Bills	14,350,909.27	3.18	379,013.38	2.64	13,971,895.89
Total	450,591,152.73	100.00	379,013.38	0.08	450,212,139.35

2) Notes receivable using the combined method for bad debt provision

Item Item	Ending Balance		
	Book Balance	Bad Debt Allowance	Allowance Ratio (%)
Within 3 months (including 3 months)	5,416,205.17	54,162.06	1.00
Over 3 months but within 6 months (including 6 months) months)	5,356,232.32	535,623.23	10.00
Less than 3 months Total	10,772,437.49	589,785.29	5.47

(3) Changes in Allowance for Doubtful Accounts

Item Item	Beginning Balance	Current Period Change				Ending Balance
		Accrued	Recovered or Reversed Reversal	Write-off	Other	
Portfolio-based provisioning Provisions for bad debts on notes receivable	379,013.38	210,771.91				589,785.29
Combined Total	379,013.38	210,771.91				589,785.29

5. Accounts Receivable

(1) Accounts Receivable Aging

Account Age	Ending Balance	Opening Balance
Within 3 months (including 3 months)	785,506,818.75	633,310,161.24
Over 3 months but within 6 months (including 6 months)	34,320,587.48	74,724,150.91
Over 6 months to 1 year (including 1 year)	3,142,883.67	11,061,384.82

Over 1 year to 2 years (including 2 years)	142,065.20	702,078.44
Account Aging	Ending Balance	Opening Balance
2 to 3 years (inclusive)	138.80	79,829.27
Total Book Value	823,112,493.90	719,877,604.68
Less: Allowance for Doubtful Accounts	19,917,351.59	16,341,369.16
Total Carrying Value	803,195,142.31	703,536,235.52

(2) Details of Allowance for Doubtful Accounts

1) Category Details

Category	Ending Balance				
	Book Balance		Bad Debt Allowance		Book Value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Individual Bad Debt Provision	11,673,124.42	1.42	8,333,297.57	71.39	3,339,826.85
Provision for Bad Debts by Portfolio	811,439,369.48	98.58	11,584,054.02	1.43	799,855,315.46
Total	823,112,493.90	100.00	19,917,351.59	2.42	803,195,142.31

(Continued from previous table)

Category	Opening Balance				
	Book Balance		Allowance for Doubtful Accounts		Book Value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Individual Bad Debt Provision	2,780,234.05	0.39			2,780,234.05
Pooled Allowance for Doubtful Accounts	717,097,370.63	99.61	16,341,369.16	2.28	700,756,001.47
Total	719,877,604.68	100.00	16,341,369.16	2.27	703,536,235.52

2) Accounts receivable for which bad debt provisions are calculated using the aging portfolio method

Account Age	Ending Balance		
	Book Balance	Bad Debt Allowance	Allowance Ratio (%)
Within 3 months (including 3 months)	775,560,737.99	7,755,607.38	1.00
Over 3 months but within 6 months (including 6 months) months)	33,570,746.52	3,357,074.65	10.00
Over 6 months but not exceeding 1 year (including 1 year)	2,275,373.77	455,074.75	20.00

Over 1 year to 2 years (including 2 years)	32,372.40	16,186.20	50.00
2 years or more - 3 years or less (including 3 years)	138.80	111.04	80.00

Account Age	Ending Balance		
	Book Balance	Allowance for Doubtful Accounts	Allowance Ratio (%)
Small Total	811,439,369.48	11,584,054.02	1.43

(3) Changes in Allowance for Doubtful Accounts

Item	Beginning Balance	Current Period Change				Ending Balance
		Accrued	Recovered or Reversed Reversal	Write-off	Other	
Individual provision for bad debts Provision		8,333,297.57	68,935.82		68,935.82	8,333,297.57
Portfolio-based provisioning Allowance for Doubtful Accounts	16,341,369.16	-4,757,315.14				11,584,054.02
Total	16,341,369.16	3,575,982.43	68,935.82		68,935.82	19,917,351.59

(4) Top 5 Accounts Receivable Amounts

The aggregate amount of the top five accounts receivable balances at the end of the period was RMB 219,226,711.16, accounting for 26.63% of the total accounts receivable balance at the end of the period. The corresponding provision for bad debts on accounts receivable and impairment provision for contract assets totaled RMB 3,485,701.99.

6. Accounts Receivable Financing

(1) Details

Item Item	Ending Balance	Beginning Balance
Bank Accepted Bills [Note]	180,093,826.67	43,928,343.95
Total Total	180,093,826.67	43,928,343.95

[Note] The year-end balance of the financial company's accepted bills is RMB 1,000,108.80

(2) Impairment Reserve Accrual Details

Category	Ending Balance				
	Cost		Cumulative Credit Impairment Allowance Recognized		Carrying Amount
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	

Portfolio-Based Impairment Allowance	180,093,826.67	100.00			180,093,826.67
Of which: Bank Accepted Bills	180,093,826.67	100.00			180,093,826.67
Total	180,093,826.67	100.00			180,093,826.67

(Continued from previous table)

Category	Opening Balance				
	Cost		Accumulated Credit Impairment Allowance		Carrying Amount
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Portfolio-Based Impairment Allowance	43,928,343.95	100.00			43,928,343.95
Of which: Bank Accepted Bills	43,928,343.95	100.00			43,928,343.95
Total	43,928,343.95	100.00			43,928,343.95

(3) Financing of Accounts Receivable Endorsed or Discounted but Not Yet Due at the Balance Sheet Date

Item Item	Termination at end of period Recognized Amount
Bank Accepted Bills	714,129,429.18
Small Total	714,129,429.18

The acceptors of bank acceptance bills are commercial banks with high credit ratings. The probability of non-payment upon maturity for bank acceptance bills accepted by such banks is low. Therefore, the Company derecognizes endorsed or discounted bank acceptance bills. However, if such bills are not honored upon maturity, the Company remains jointly and severally liable to the holder in accordance with the Bill of Exchange Law.

7. Prepayments

(1) Accounts Receivable Aging Analysis

Account Age	Ending Balance				Beginning Balance			
	Book Balance	Ratio (%)	Impairment Reserve	Book Value	Book Balance	Ratio (%)	Impairment Reserve	Book Value
Within 1 year (including 1 years)	4,772,699.19	99.31		4,772,699.19	4,142,084.36	99.62		4,142,084.36
1 to 2 years	32,932.00	0.69		32,932.00	15,805.28	0.38		15,805.28
Total	4,805,631.19	100.00		4,805,631.19	4,157,889.64	100.00		4,157,889.64

(2) Top 5 Prepayment Amounts

Company Name	Book Balance	Percentage of Total Prepayments of Total Prepayments (%)
Entity 1	3,290,834.48	68.48
Unit 2	555,409.25	11.56
Unit 3	90,854.34	1.89

Unit 4	72,519.28	1.51
Unit Name	Book Balance	Percentage of Prepayments of Total Prepayments (%)
Unit 5	66,481.99	1.38
Small Total	4,076,099.34	84.82

8. Other Receivables

(1) Classification by Nature of Funds

Nature of Accounts	Ending Balance	Beginning Balance
Contingency Funds	848,869.64	1,614,220.34
Security Deposit	3,972,864.43	2,620,791.82
Other	1,930,855.31	2,112,063.71
Total Book Balance	6,752,589.38	6,347,075.87
Less: Allowance for Doubtful Accounts		126,216.49
Total Carrying Value	6,752,589.38	6,220,859.38

(2) Account Aging

Account Age	Ending Balance	Beginning Balance
Within 3 months	3,313,535.27	4,047,506.06
3-6 months	600,276.21	90,100.98
6 months–1 year	1,577,938.00	804,004.93
1–2 years	879,157.08	382,723.90
2-3 years	33,682.82	662,240.00
3 years or more	348,000.00	360,500.00
Total Book Value	6,752,589.38	6,347,075.87
Less: Allowance for Doubtful Accounts		126,216.49
Total Carrying Value	6,752,589.38	6,220,859.38

(3) Details of Allowance for Doubtful Accounts

1) Category Details

Category	Ending Balance				
	Book Balance		Bad Debt Allowance		Book Value
	Amount	Ratio (%)	Amount	Provision Ratio (%)	
Individual Bad Debt Provision	6,752,589.38	100.00			6,752,589.38
Portfolio-based Bad Debt Provision					
Total	6,752,589.38	100.00			6,752,589.38

(Continued from previous table)

Category	Opening Balance				
	Book Balance		Allowance for Doubtful Accounts		Book Value
	Amount	Ratio (%)	Amount	Provision Ratio (%)	
Individual Bad Debt Provision	5,453,027.97	85.91			5,453,027.97
Collective Allowance for Doubtful Accounts	894,047.90	14.09	126,216.49	14.12	767,831.41
Total	6,347,075.87	100.00	126,216.49	1.99	6,220,859.38

2) Changes in Allowance for Doubtful Accounts

Item Item	Phase I	Phase II	Stage 3	Total Total
	Expected Credit Loss for the Next 12 Months	Expected Credit Loss Over the Entire Life (Unrealized Credit impairment)	Expected Credit Loss Over the Entire Life (Credit impairment impairment)	
Opening Balance	8,398.38	55,818.11	62,000.00	126,216.49
Opening Balance Current Period				
--Transferred to Phase II				
--Transferred to Phase III				
--Reversed to Phase II				
--Reversed to Phase I				
Current period accrual	-8,398.38	-55,818.11	-62,000.00	-126,216.49
Current Period Recovery or Reversal				
Write-offs for the period				
Other Changes				

Ending Balance				
Item Item	Phase I Expected Credit Loss for the Next 12 Months	Phase II Expected Credit Loss Over the Entire Life (Unrealized Credit impairment)	Phase Three Expected Credit Loss Over the Entire Life (Credit impairment impairment)	Total Total
Provision for Bad Debts at Period-End Ratio (%)				

(4) Top 5 Other Receivables Amounts

Entity Name	Nature of Receivables	Balance at End of Period	Ageing	Percentage of Total Other Receivables (%)	End-of-Period Allowance for Doubtful Accounts
Chongqing Jinyu Financial Leasing Co., Ltd.	Deposit	2,197,952.00	Within 3 months, 3-6 months, 6 months-1 years, 1-2 years	32.55	
Shenzhen Xinsheng Co., Ltd. Cooperative Company	Deposit	856,000.00	6 months–1 year	12.68	
Prepaid Taxes	Other	638,410.76	Within 3 months	9.45	
Sichuan Tianxin Gas Co., Limited Liability Company	Deposit	500,000.00	Within 3 months	7.4	
Zhang Tingyu	Collateral	374,778.56	Within 3 months, 3-6 months, 1-2 years, 3 or more	5.55	
Small Total		4,567,141.32		67.64	

9. Inventory

(1) Details

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserve/Loss Allowance	Book Value	Book Balance	Impairment reserve/Impairment Reserve	Carrying Amount
Raw Materials	94,386,859.77	1,154,919.29	93,231,940.48	75,785,980.33	2,545,955.15	73,240,025.18
Processing on Consignment Materials	666,327.12		666,327.12	203.76		203.76
Inventory	74,211,831.97	4,933,226.45	69,278,605.52	300,657,864.49	145,078,486.31	155,579,378.18

Goods Dispatched	82,233,362.17	1,120,782.63	81,112,579.54	52,193,567.92	196,084.13	51,997,483.79
Work in Progress and Semi-finished goods	426,696,018.50	23,457,888.01	403,238,130.49	381,318,605.18	54,797,330.00	326,521,275.18
Total	678,194,399.53	30,666,816.38	647,527,583.15	809,956,221.68	202,617,855.59	607,338,366.09

(2) Inventory Valuation Allowance

1) Details

Item	Beginning Balance	Increase for the Period		Current Period Decrease		Ending Balance
		Accrued	Other	Write-off	Other Other	
Raw Materials	2,545,955.15	913,429.22		2,304,465.08		1,154,919.29
Inventory	145,078,486.31	8,109,665.22		148,254,925.08		4,933,226.45
Goods Dispatched	196,084.13	2,660,646.12		1,735,947.62		1,120,782.63
Work in Progress and Semi-finished goods	54,797,330.00	19,115,624.63		50,455,066.62		23,457,888.01
Total	202,617,855.59	30,799,365.19		202,750,404.40		30,666,816.38

2) Specific Basis for Determining Net Realizable Value and Reasons for Reversal of Inventory Valuation Allowance in the Current Period

Item Item	Determination of Net Realizable Value Specific Basis	Reasons for Reversal of Inventory Valuation Allowance Reasons for Reversing Inventory Valuation Allowance
Raw Materials	Related finished goods Estimated selling price minus estimated costs to be incurred until completion, estimated selling expenses, and and related taxes	Inventory has been issued/sold
Work in Progress and Semi-Finished Goods	Estimated selling price of related finished goods minus estimated costs to be incurred until completion, estimated selling expenses, and related taxes and fees and related taxes.	The corresponding inventory has been used/sold
Finished goods	Estimated selling price minus estimated selling expenses and related taxes tariffs	The amount after deducting estimated selling expenses and related taxes from the estimated selling price
Goods issued	Estimated selling price minus estimated selling expenses and related tariff fees	Corresponding inventory sold

10. Other current assets

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Allowance	Book value	Book Balance	Impairment Provision	Book value

VAT to be deducted Input tax	53,554,681.46		53,554,681.46	31,783,662.17		31,783,662.17
Prepaid corporate income tax Tax	1,262,162.75		1,262,162.75	4,277,239.32		4,277,239.32
Other	288,358.56		288,358.56			
Total	55,105,202.77		55,105,202.77	36,060,901.49		36,060,901.49

11. Long-term equity investments

(1) Classification Details

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Allowance	Book value	Book Balance	Impairment Allowance	Carrying Amount
Investment in Associates Investment in Associates	35,904,714.56		35,904,714.56	33,716,520.34		33,716,520.34
Total	35,904,714.56		35,904,714.56	33,716,520.34		33,716,520.34

(2) Details

Investee	Opening Balance		Increase/Decrease for the Period			
	Book Value	Impairment Reserve Provision	Additional Investment Investment	Decrease in Investment Investment	Recognized under the equity method Investment gains or losses	Other comprehensive Adjustments
Joint Venture						
Sichuan Sanglide Precision Components Parts Manufacturing Co., Ltd.	33,716,520.34				2,713,194.22	
Total	33,716,520.34				2,713,194.22	

(Continued from previous table)

Investee	Increase/Decrease for the Period				Ending Balance	
	Other Equity Changes	Cash Dividends Declared Dividends or Profit Distributions	Provision for impairment Provision for Impairment	Other	Book value	Impairment reserve Provision
Associated Companies						
Sichuan Sanglide Precision Parts Manufacturing Co., Ltd.		525,000.00			35,904,714.56	
Total		525,000.00			35,904,714.56	

12. Other Non-Current Financial Assets

(1) Details

Item Item	Ending Balance	Beginning Balance

Equity instruments measured at fair value	17,460,928.48	17,154,463.80
Total Total	17,460,928.48	17,154,463.80

(2) Other non-current financial assets measured at fair value at end of period

Item Item	Fair value at end of period	Opening Fair Value
Changhong Group Sichuan Shenwan Hongyuan Strategic Emerging Industries Industrial Fund Partnership (Limited Partnership)	17,460,928.48	17,154,463.80
Total Total	17,460,928.48	17,154,463.80

13. Fixed Assets

(1) Details

Item	Buildings	Instruments and Meters	Power Equipment	Specialized Equipment	Lifting Equipment	Transportation Equipment	Other Equipment	Total
Original Book Value								
Beginning Balance	230,974,322.43	51,664,329.49	8,720,732.09	1,616,445,026.38	3,544,496.17	10,580,131.08	17,361,420.95	1,939,290,458.59
Increase for the Period	210,614.39	4,562,717.86	127,266.23	29,287,635.63		222,743.57	2,997,573.07	37,408,550.75
1) Purchase				2,753,882.38			73,382.81	2,827,265.19
2) Transfer from Construction in Progress	210,614.39	4,562,717.86	127,266.23	26,057,952.47		222,743.57	2,924,190.26	34,105,484.78
3) Other				475,800.78				475,800.78
Decrease for the period	109,724.76	326,877.15	12,956.82	47,806,405.31		11,327.43	232,104.31	48,499,395.78
1) Disposal or Scrapping		326,877.15	12,956.82	9,633,812.16		11,327.43	232,104.31	10,217,077.87
2) Other	109,724.76			38,172,593.15				38,282,317.91
Ending Balance	231,075,212.06	55,900,170.20	8,835,041.50	1,597,926,256.70	3,544,496.17	10,791,547.22	20,126,889.71	1,928,199,613.56
Accumulated Depreciation								
Beginning Balance	48,430,418.18	29,516,423.45	5,699,987.15	548,027,409.23	1,384,099.84	6,039,594.61	5,087,913.46	644,185,845.92
Increase for the Period	6,350,450.62	4,876,499.90	1,291,118.87	141,867,742.33	347,945.92	966,482.56	4,121,621.04	159,821,861.24
1) Provision	6,350,450.62	4,876,499.90	1,291,118.87	141,867,742.33	347,945.92	966,482.56	4,121,621.04	159,821,861.24

Item	Buildings	Instruments and Meters	Power Equipment	Specialized Equipment	Lifting Equipment	Transportation Equipment	Other Equipment	Total
Current Period Decrease		310,516.21	9,936.19	25,309,936.05		8,633.60	188,455.03	25,827,477.08
1) Disposal or Scrapping		310,516.21	8,865.47	9,036,288.80		8,220.25	188,455.03	9,552,345.76
2) Other			1,070.72	16,273,647.25		413.35		16,275,131.32
Ending Balance	54,780,868.80	34,082,407.14	6,981,169.83	664,585,215.51	1,732,045.76	6,997,443.57	9,021,079.47	778,180,230.08
Impairment reserve								
Opening Balance		3,375.63		712,446.81				715,822.44
Increase for the Period								
Current Period Decrease								
Ending Balance		3,375.63		712,446.81				715,822.44
Book value								
Book Value at End of Period	176,294,343.26	21,814,387.43	1,853,871.67	932,628,594.38	1,812,450.41	3,794,103.65	11,105,810.24	1,149,303,561.04
Opening Book Value	182,543,904.25	22,144,530.41	3,020,744.94	1,067,705,170.34	2,160,396.33	4,540,536.47	12,273,507.49	1,294,388,790.23

14. Construction in Progress

(1) Details

Project	Ending Balance			Beginning Balance		
	Book Balance	Impairment Allowance	Book value	Book Balance	Impairment Reserve	Book Value
Sanjie Phase IV Project	535,583,947.04		535,583,947.04	369,872,986.32		369,872,986.32
Uninstalled Equipment	24,086,730.89		24,086,730.89	8,973,737.52		8,973,737.52
Sanjie Phase III Renovation Project Project	624,689.37		624,689.37	800,767.38		800,767.38
Phase I Renovation Project	24,455,058.86		24,455,058.86			
Miscellaneous Projects	921,506.23		921,506.23			
Uninstalled Software				3,099,114.01		3,099,114.01
Sanjie Phase I Land Transfer Transfer				30,000.00		30,000.00
Total	585,671,932.39		585,671,932.39	382,776,605.23		382,776,605.23

(2) Changes in Significant Construction Projects During the Period

Project Name	Budget Amount (RMB 10,000)	Beginning Balance	Current Period Increase	Transfers Fixed Assets	Other Decreases	Ending Balance
Sanjie Phase III Renovation Construction Project	4,500.00	800,767.38	477,318.59	653,396.60		624,689.37
Sanjie Phase IV Workers Project	95,000.00	369,872,986.32	166,229,309.34		518,348.62	535,583,947.04
Subtotal	99,500.00	370,673,753.70	166,706,627.93	653,396.60	518,348.62	536,208,636.41

(Continued from previous table)

Project Name	Cumulative Project Expenditure as a Percentage of Budget (%)	Project Progress (%)	Cumulative Amount of Interest Capitalized	Interest Capitalized in Current Period	Interest Capitalization Rate for Current Period (%)	Funding Source
Three Jie Phase III Renovation Project	95.44	95.44	25,295.12	7,729.38	3.83	Equity

Sanjie Phase IV Project	50.35	50.35	3,748,443.94	2,456,377.09	3.65	Equity
Subtotal			3,773,739.06	2,464,106.47		

15. Right-of-use assets

Project	Buildings	Machinery and Equipment	Total
Original Book Value			
Opening Balance	103,938,936.04	253,694,414.14	357,633,350.18
Increase for the Period	54,890,352.08		54,890,352.08
(1) New leases	54,890,352.08		54,890,352.08
Decrease for the period	7,779,534.88		7,779,534.88
(1) Lease Expiration and Contract Changes	7,779,534.88		7,779,534.88
Ending Balance	151,049,753.24	253,694,414.14	404,744,167.38
Accumulated Depreciation			
Beginning Balance	50,330,143.33	38,120,852.41	88,450,995.74
Current Period Increase	22,586,871.68	21,631,067.61	44,217,939.29
(1) Provision	22,586,871.68	21,631,067.61	44,217,939.29
Current Period Decrease	5,212,154.53		5,212,154.53
(1) Lease Expiration and Contract Changes	5,212,154.53		5,212,154.53
Ending Balance	67,704,860.48	59,751,920.02	127,456,780.50
Impairment reserve			
Beginning Balance			
Increase for the Period			
Decrease for the Period			
Ending Balance			
Book Value			
Ending Book Value	83,344,892.76	193,942,494.12	277,287,386.88
Opening Book Value	53,608,792.71	215,573,561.73	269,182,354.44

16. Intangible Assets

Item	Land Use Rights	Software Usage Rights	Patented Technology	Non-patented technology	Total
Book Value					
Beginning Balance	42,808,770.41	10,187,683.92	55,502,635.94	14,229,362.75	122,728,453.02
Increase for the Period Amount	36,274,796.34	4,195,868.95			40,470,665.29

Project	Land Use Rights	Software Usage Rights	Patented Technology	Non-Patented Technology	Total
(1) Acquisition	36,274,796.34	4,195,868.95			40,470,665.29
Decrease in Current Period Amount					
Ending Balance	79,083,566.75	14,383,552.87	55,502,635.94	14,229,362.75	163,199,118.31
Accumulated Amortization					
Beginning Balance	8,402,234.86	4,061,263.92	32,435,808.91	14,186,575.52	59,085,883.21
Increase for the Period Amount	804,679.09	2,177,525.48	6,057,338.72	10,067.58	9,049,610.87
(1) Provision	804,679.09	2,177,525.48	6,057,338.72	10,067.58	9,049,610.87
Decrease in Current Period Amount					
Ending Balance	9,206,913.95	6,238,789.40	38,493,147.63	14,196,643.10	68,135,494.08
Impairment Reserve					
Opening Balance					
Increase for the Period Amount					
Current Period Decrease Amount					
Ending Balance					
Book value					
Ending Book Value Balance	69,876,652.80	8,144,763.47	17,009,488.31	32,719.65	95,063,624.23
Opening Book Value Value	34,406,535.55	6,126,420.00	23,066,827.03	42,787.23	63,642,569.81

17. Goodwill

(1) Details

Name of investee	Ending Balance		
	Book Balance	Impairment Reserve	Book Value

Changhong Feishi	5,229,105.05		5,229,105.05
Changhong Sanjie	143,597,449.57	105,805,257.68	37,792,191.89
Shenzhen Juheyuan	55,223,186.76		55,223,186.76
Total Total	204,049,741.38	105,805,257.68	98,244,483.70

(Continued from previous table)

Name of Investee	Opening Balance		
	Book Balance	Impairment Reserve	Book Value
Changhong Feishi	5,229,105.05		5,229,105.05
Changhong Sanjie	143,597,449.57	105,805,257.68	37,792,191.89
Shenzhen Juheyuan	55,223,186.76		55,223,186.76
Total Total	204,049,741.38	105,805,257.68	98,244,483.70

(2) Book Value of Goodwill

Name of investee	Opening Balance	Current Period Increase from Business Combination	Current Period Decrease		Closing Balance
			Disposals	Other	
Changhong Feishi	5,229,105.05				5,229,105.05
Changhong Sanjie	143,597,449.57				143,597,449.57
Shenzhen Juheyuan	55,223,186.76				55,223,186.76
Total Total	204,049,741.38				204,049,741.38

(3) Goodwill Impairment Reserve

Name of Investee	Opening Balance	Increase for the Period		Current Period Decrease		Ending Balance
		Accrued	Corporate Consolidation Formed by	Disposal	Other	
Changhong Sanjie	105,805,257.68					105,805,257.68
Total Total	105,805,257.68					105,805,257.68

(4) Information on the asset group or combination of asset groups to which the goodwill relates

Name of Asset Group or Combination of Asset Groups	Composition and Basis of the Asset Group or Group of Asset Groups	Operating segment to which it belongs and basis	Whether the asset group or combination of asset groups is consistent with the asset group or combination of asset groups determined at the acquisition date or during prior-period goodwill impairment tests
			asset group combination determined at the acquisition date or during prior-year goodwill impairment tests

Changhong Feishi	Changhong Feishi is a battery manufacturing enterprise. Both the acquisition date and the balance sheet date use the long-term assets involved in the asset group containing goodwill as the asset group related to goodwill, namely fixed assets, construction in progress, intangible assets, other assets, and goodwill in its entirety, excluding working capital, interest-bearing debt, and non-operating assets. non-operating assets.	Based on the company's internal management and business module divisions	is
Changhong Sanjie	Changhong Sanjie is a battery manufacturing enterprise. On both the acquisition date and the balance sheet date, the long-term assets associated with the asset group containing goodwill are treated as the asset group related to goodwill. This includes fixed assets, construction in progress, intangible assets, other assets, and goodwill in its entirety, excluding working capital, interest-bearing debt, and non- non-operating assets.	Based on internal management and business module divisions	Yes
Shenzhen Juheyuan	Shenzhen Juheyuan is a battery manufacturing enterprise. On both the acquisition date and the balance sheet date, the long-term assets associated with the asset group containing goodwill at Shenzhen Juheyuan are treated as the asset group related to goodwill. This includes fixed assets, construction in progress, intangible assets, other assets, and goodwill in its entirety, excluding working capital, interest-bearing debt, and non-operating assets. , or non-operating assets.	Based on internal management and business module divisions	Yes

(5) Specific Method for Determining Recoverable Amount

1) The recoverable amount is determined based on the present value of estimated future cash flows

Unit: RMB 10,000

Item Item	Carrying amount of the asset group or portfolio of asset groups containing goodwill Value	Recoverable Amount	Impairment Charge for the Period
Changhong Sanjie	164,494.77	164,863.57	
Shenzhen Juheyuan	24,821.18	25,288.11	
Small Total	189,315.95	190,151.68	

(Continued from previous table)

Item Item	Forecast Period	Parameters such as revenue growth rate and profit margin during the forecast period and their Basis for Determination	Stable Period Growth Rate, Profit Margin, and Other Parameters and Their Basis for Determination Basis for determination	Discount rate and its basis for determination
The Three Heroes of Changhong	2025– 2032	Revenue growth for 2025-2032 is projected at 20.33%, 8.71%, 7.99%, 3.90%, 2.57%, 0%, 0%, 0%; net profit margins are 3.37%, 3.26%, 4.78%, 4.75%, 5.78%, 6.58%, 7.64%, 9.28%. Based on the industry's future development trends, the company's market share, current order backlog, and projected growth, .	The stable-period revenue growth rate is 0.00%, with a net profit margin of 7.79%. This is determined after analyzing and estimating expenses based on a reasonable revenue forecast.	Pre-tax discount rate 12.81%, obtained through Post-tax discount rate

Shenzhen Juheyuan	2025–2029	The revenue growth rates for 2025–2029 are projected to be 11.88%, 15.00%, 5.54%, 0%, 0%; net profit margins are	Stabilization period revenue growth rate: 0.00%, net profit margin: 5.67%. According to management management's assessment of the company's business	discount rate before taxes 11.84%. Using post-tax discount rate iteration, resulting in a post-tax discount rate of
		4.68%, 5.80%, 6.28%, 5.76%, 5.83%. Basis for determination: Comprehensive determination based on business development plans, operational policies, market expectations, and actual operating conditions in 2024. Based on business development plans, operational policies, market expectations, and the company's actual operating c	Based on the company's business development plans, operational policies, and fundamental market assessments, while also considering the feasibility of achieving detailed projected annual revenue and profit levels. .	The discount rate is determined using the weighted average cost of capital.

18. Long-Term Prepaid Expenses

Item	Opening Balance	Current Period Increase	Current Period Amortization	Other Decreases	Ending Balance
Renovation and Modification	36,345,072.46	6,014,467.74	7,909,418.04	621,633.06	33,828,489.10
Miscellaneous Projects and Other	1,254,691.39	4,258,617.11	357,729.52		5,155,578.98
Total	37,599,763.85	10,273,084.85	8,267,147.56	621,633.06	38,984,068.08

19. Deferred income tax assets, deferred income tax liabilities

(1) Unamortized deferred tax assets

Item	Ending Balance		Beginning Balance	
	Deductible temporary differences Difference	Deferred Tax Assets	Deductible temporary differences Differences	Deferred tax assets
Deductible Losses	221,557,129.93	33,233,569.49	110,068,120.85	16,510,218.13
Lease liabilities may offset temporary Temporary Differences	90,369,315.99	13,589,276.71	56,961,869.71	8,781,950.23
Deferred Revenue	54,499,573.49	8,174,936.02	42,319,619.16	6,347,942.88
Asset Impairment Reserve	47,888,088.30	7,183,213.26	214,230,742.51	32,134,611.37
Accrued Expenses	8,869,735.39	1,330,460.31	24,058,738.86	3,144,344.13

Fair value changes	4,974,494.13	746,174.12	1,502,187.33	225,328.10
Provision for liabilities	449,122.00	67,368.30		
Unrealized gains on internal transactions Profit	176,625.54	26,493.83	928,104.34	139,215.65
Other	20,408,436.07	3,061,265.41	20,408,436.07	3,061,265.41
Total	449,192,520.84	67,412,757.45	470,477,818.83	70,344,875.90

(2) Unoffset deferred income tax liabilities

Item	Ending Balance		Beginning Balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred income tax liability
Accelerated depreciation of fixed assets Tax-Accounting Differences	299,803,150.15	44,970,472.53	338,779,553.14	50,816,932.97
Deferred Tax Liability on Right-of-Use Assets Temporary differences	83,344,892.76	12,534,090.92	53,512,972.73	8,252,421.45
Non-Controlling Interests Asset Appraisal Gain	54,101,517.60	8,115,227.64	61,352,152.68	9,202,822.90
Fair value changes	1,024,997.40	153,749.60	1,541,314.67	231,197.20
Total	438,274,557.91	65,773,540.69	455,185,993.22	68,503,374.52

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

Item	Ending Balance		Beginning Balance	
	Deferred income tax assets and Liabilities	Net deferred tax assets or liability balance	Deferred tax assets and liabilities	Balance of deferred tax assets or liabilities
Deferred income Asset	40,161,312.63	27,251,444.82		70,344,875.90
Deferred Income Liabilities	40,161,312.63	25,612,228.06		68,503,374.52

(4) Details of Unrecognized Deferred Income Tax Assets

Item Item	Ending Balance	Beginning Balance
Deductible Losses	551,092,580.40	416,054,752.01
Deductible temporary differences	4,001,687.40	5,949,534.55
Total Total	555,094,267.80	422,004,286.56

(5) Unrecognized deferred tax assets from deductible losses will expire in the following years

Year Year	Balance at end of period	Remarks
2025		
2026	92,663,685.14	
2027	18,971,263.66	
2028	83,942,764.29	
2029	34,622,480.24	
2030		
2031		

2032	30,112,745.96	
Year Share	Ending Balance	Remarks
2033	176,275,519.19	
2034	114,504,121.92	
Total Total	551,092,580.40	

20. Other Non-Current Assets

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Allowance	Book value	Book Balance	Impairment Reserve	Book value
Prepaid Equipment	3,469,776.70		3,469,776.70	12,376,994.32		12,376,994.32
Total	3,469,776.70		3,469,776.70	12,376,994.32		12,376,994.32

21. Assets Subject to Ownership or Usage Restrictions

(1) Restricted Assets at End of Period

Item Item	Balance at End of Period	Book Value at End of Period	Restricted Type	Reason for Restriction
Cash and cash equivalents	56,992,471.10	56,992,471.10		
Of which: Bank Accepted Bills Deposits	54,798,828.09	54,798,828.09	Guarantee Deposit	Non-Accessible Bank Accepted Bill Opening Margin
Forward transaction margin	461,422.97	461,422.97	Guarantee Deposit	Forward Margin Not Available for Immediate Use Foreign Exchange Margin
Bank-frozen funds	1,732,220.04	1,732,220.04	Frozen	Subject to Judicial Freeze [Note]
Fixed Assets	141,260,734.26	101,045,803.14	Mortgage	Mortgage on Loans
Deferred Expenses	6,671,407.71	4,669,985.40	Mortgage	Mortgage on Borrowings
Total Total	204,924,613.07	162,708,259.64		

[Note] Funds frozen by the court in the amount of RMB 1,732,220.04 due to a tort liability dispute case where Changhong Sanjie, a subsidiary, was sued for joint and several liability arising from a product incident involving a downstream customer.

(2) Restricted Assets at Beginning of Period

Item Item	Balance at End of Period	Carrying Value at End of Period	Restricted Category Type	Restriction Status
Cash and Cash Equivalents	14,708,445.42	14,708,445.42	Deposits	Yes
Notes receivable	387,181,679.29	387,181,679.29	Pledged	Yes
Fixed Assets	111,756,869.19	111,756,869.19	Mortgage	Yes
Item Item	Balance at End of Period	End-of-period book value	Restricted Type	Restriction Status
Deferred Expenses	5,337,126.17	5,337,126.17	Mortgage	Yes
Agreement Total	518,984,120.07	518,984,120.07		

22. Short-term borrowings

Item Item	Ending Balance	Beginning Balance
Guaranteed Loans	131,800,295.66	184,850,000.00
Credit Loans	609,000,000.00	408,000,000.00
Commercial Accepted Bill Discount Financing	15,000,000.00	94,500,000.00
Short-term borrowings - accrued interest	1,443,356.50	770,991.60
Total Total	757,243,652.16	688,120,991.60

23. Trading Financial Liabilities

Item Item	Beginning Balance	Increase for the Period	Current Period Decrease	Ending Balance
Trading Financial Liabilities	282,608.21		282,608.21	
Of which: Derivative financial liabilities	282,608.21		282,608.21	
Total Total	282,608.21		282,608.21	

24. Derivative Financial Liabilities

Item Item	Ending Balance	Beginning Balance
Foreign Exchange Derivatives	4,974,494.13	
Total Total	4,974,494.13	

25. Notes Payable

Item Item	Ending Balance	Opening Balance
Bank Accepted Bills [Note]	373,227,265.57	353,320,044.22
Total Total	373,227,265.57	353,320,044.22

[Note] The year-end balance of the financial company's accepted bills of exchange is RMB 126,649,145.34

26. Accounts Payable

(1) Details

Item Item	Ending Balance	Beginning Balance
Total Total	1,133,618,348.18	1,211,246,357.29
Of which: Amounts over 1 year old	62,188,703.18	24,291,934.76

(2) Significant accounts payable over 1 year old

Item Item	Balance at End of Period	Reason for Non-Settlement or Carryover
Shenzhen Haoneng Technology Co., Ltd.	30,368,300.89	Contract not fully executed
Sumec International Technology Trading Co., Ltd.	15,387,894.47	Contract not fully performed
Hangzhou Fuda Dehumidification Equipment Co., Ltd.	6,507,940.71	Contract not fully performed
Small Total	52,264,136.07	

27. Contract liabilities

Item Item	Ending Balance	Beginning Balance
Advance Receipts	12,923,783.94	53,629,950.22
Total Total	12,923,783.94	53,629,950.22

28. Employee Compensation Payable

(1) Details

Item Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
Short-Term Compensation	71,329,271.61	307,397,656.04	308,273,819.39	70,453,108.26
Post-employment Benefits - Defined Contribution Plan Defined Contribution Plan	606,187.65	24,459,438.81	24,651,577.57	414,048.89
Severance Benefits		1,037,665.65	1,037,665.65	
Total Total	71,935,459.26	332,894,760.50	333,963,062.61	70,867,157.15

(2) Details of Short-Term Compensation

Item	Beginning Balance	Current Period Increase	Current Period Decrease	Ending Balance
Wages, Bonuses, Allowances, and Subsidies	70,224,351.54	274,076,535.38	274,730,217.88	69,570,669.04
Employee Welfare Expenses	261,049.82	10,118,024.85	10,177,749.85	201,324.82
Social Insurance Fees	348,520.60	13,204,220.63	13,391,169.46	161,571.77

Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
Of which: Medical Insurance Premium	316,264.58	11,793,454.88	11,974,096.52	135,622.94
Workers' Compensation Insurance Premium	31,379.36	1,323,075.17	1,328,505.70	25,948.83
Maternity Insurance Premium	876.66	87,690.58	88,567.24	
Housing Provident Fund	488,454.98	9,217,581.00	9,193,759.00	512,276.98
Union Funds and Employee Education Funds	6,894.67	781,294.18	780,923.20	7,265.65
Subtotal	71,329,271.61	307,397,656.04	308,273,819.39	70,453,108.26

(3) Details of the Escrow Plan

Item Item	Opening Balance	Current Period Increase	Current Period Decrease	Ending Balance
Basic Pension Insurance	578,683.82	23,595,366.45	23,781,288.44	392,761.83
Unemployment Insurance Premium	27,503.83	864,072.36	870,289.13	21,287.06
Small Total	606,187.65	24,459,438.81	24,651,577.57	414,048.89

29. Taxes Payable

Item Item	Ending Balance	Beginning Balance
Corporate Income Tax	11,363,002.65	1,713,327.33
Value-Added Tax	958,155.94	
Stamp Tax	880,742.17	661,738.76
Urban Maintenance and Construction Tax	837,724.81	219,696.41
Property Tax	776,897.17	747,737.57
Education Surcharge	657,997.25	196,604.58
Land Use Tax	307,736.47	307,736.47
Other	23,104.47	1,108,816.26
Total Total	15,805,360.93	4,955,657.38

30. Other Payables

Item Item	Ending Balance	Previous Year-End Balance
Accrued Expenses	48,248,281.16	61,375,840.57
Temporary Receipts Payable and Withheld Amounts	7,207,562.27	13,051,893.27

Item Item	Ending Balance	Previous Year-End Balance
Deposits and Guarantees	11,800,849.98	13,206,316.38
Related Party Balances	268,662.42	572,088.26
Other	6,522,942.41	5,626,594.35
Total Total	74,048,298.24	93,832,732.83

31. Non-current liabilities due within one year

Item Item	Ending Balance	Beginning Balance
Long-term loans due within one year	199,784,453.52	386,613,909.24
Long-term payables due within one year	3,696,367.49	1,976,693.96
Lease liabilities due within one year	47,195,069.08	82,165,551.18
Long-term borrowings due within one year	95,235.20	311,427.54
Interest		
Total Total	250,771,125.29	471,067,581.92

32. Other Current Liabilities

Item Item	Ending Balance	Beginning Balance
Input Tax Credit to be Carried Forward	1,371,060.50	6,742,112.65
Total Total	1,371,060.50	6,742,112.65

33. Long-term borrowings

Item Item	Ending Balance	Beginning Balance
Mortgage Loans	283,491,472.59	330,109,473.78
Guaranteed Loans	185,187,594.03	100,332,274.00
Credit Loans	70,028,583.33	
Total Total	538,707,649.95	430,441,747.78

34. Lease liabilities

Item Item	Ending Balance	Beginning Balance
Lease Liabilities	134,559,894.25	164,124,925.12

Item Item	Ending Balance	Beginning Balance

Less: Lease liabilities - Unrecognized financing costs Use	15,262,422.08	13,440,185.11
Total Total	119,297,472.17	150,684,740.01

35. Long-term Payables

Item Item	Ending Balance	Opening Balance
Long-term Payables - Finance Lease Payments	6,303,632.51	
Total Total	6,303,632.51	

36. Contingent Liabilities

Item Item	Ending Balance	Opening Balance	Reason for Formation
Pending Litigation	449,122.00	449,122.00	Litigation compensation
Total Total	449,122.00	449,122.00	

37. Deferred Revenue

Item	Beginning Balance	Increase for the Period	Current Period Decrease	Ending Balance	Reason for Formation
Government subsidies	61,005,574.41	18,054,800.00	8,435,781.97	70,624,592.44	Government grants received related to assets Government grants received
Total	61,005,574.41	18,054,800.00	8,435,781.97	70,624,592.44	

38. Share Capital

Item Item	Beginning Balance	Current Period Increase/Decrease (Decreases indicated by "—"))					Ending Balance
		New Share Issuance	Bonus Shares	Transfer from reserve fund Shares	Other	Subtotal	
Total Number of Shares	130,053,003.00						130,053,003.00

39. Capital Surplus

Item Item	Beginning Balance	Increase for the Period	Current Period Decrease	Ending Balance

Capital Premium	369,483,053.10			369,483,053.10
Item Item	Beginning Balance	Increase for the Period	Current Period Decrease	Ending Balance
Other Capital Surplus	6,312,071.20	744.12		6,312,815.32
Total Total	375,795,124.30	744.12		375,795,868.42

40. Other Comprehensive Income

Item	Beginning Balance	Current Period Amount						Ending Balance
		Net Amount of Other Comprehensive Income After Tax					Less: Prior Periods' Other Comprehensive Income Transferred to Retained Earnings (Net of tax attributable to parent company)	
		Current period income tax expense	Less: Prior period amounts recognized in other comprehensive income transferred to profit or loss in the current period	Less: Income tax expense	Net income attributable to owners of the parent	Attributable to minority interests after tax		
To be reclassified into profit or loss Other comprehensive income		2,440,428.11			1,712,448.40	727,979.71		1,712,448.40
Foreign Currency Financial Statement Translation Differences		2,440,428.11			1,712,448.40	727,979.71		1,712,448.40
Other Comprehensive Income Total		2,440,428.11			1,712,448.40	727,979.71		1,712,448.40

41. Special Reserve

Item Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance
Work Safety Expenses	6,506,562.48	7,432,023.85	9,887,770.66	4,050,815.67
Total Total	6,506,562.48	7,432,023.85	9,887,770.66	4,050,815.67

42. Retained Earnings

(1) Details

Item Item	Opening Balance	Increase for the Period	Current Period Decrease	Ending Balance

Legal Reserve	58,276,968.80	6,749,532.70		65,026,501.50
Total Total	58,276,968.80	6,749,532.70		65,026,501.50

(2) Other Notes

In accordance with the Company Law of the People's Republic of China and the Articles of Association, the Company shall set aside 10% of the parent company's net profit for the year as

When the accumulated statutory surplus reserve reaches 50% or more of the registered capital, no further allocation is required. In 2024, the Company allocated RMB 6,749,532.70 to the statutory surplus reserve, bringing the cumulative amount to 50% of the registered capital. 50%.

43. Retained Earnings

Item Item	Current Period Amount	Previous Year's Period
Retained Earnings at End of Previous Period Before Adjustments	137,758,990.78	447,424,645.42
Adjusted opening retained earnings total (Adjustment increases +, Adjustment decreases -)		249,324.54
Adjusted opening retained earnings	137,758,990.78	447,673,969.96
Add: Net profit attributable to shareholders of the parent company for the current period Net profit attributable to shareholders of the parent company	197,184,938.26	-270,899,078.28
Less: Provision for statutory reserve	6,749,532.70	
Common stock dividends payable		39,015,900.90
Retained earnings at end of period	328,194,396.34	137,758,990.78

(II) Notes to Consolidated Statement of Income Items

1. Operating Revenue/Cost of Sales

(1) Details

Item	Current Period Amount		Previous Year's Period Amount	
	Revenue	Cost	Revenue	Cost
Main Business Revenue	3,623,255,295.53	3,060,771,133.63	2,757,858,636.98	2,508,037,259.45
Other Operating Income	47,799,443.78	1,246,209.95	38,957,672.60	911,443.69
Total	3,671,054,739.31	3,062,017,343.58	2,796,816,309.58	2,508,948,703.14
Of which: Contract revenue from customers 3,671,054,739.31	3,671,054,739.31	3,062,017,343.58	2,796,816,309.58	2,508,948,703.14

(2) Revenue Breakdown Information

1) Revenue arising from contracts with customers is broken down by type of goods or services

Item	Current Period		Previous Year	
	Revenue	Cost	Revenue	Cost
Alkaline Zinc-Manganese Batteries	1,668,432,048.16	1,327,055,707.49	1,384,266,727.05	1,074,431,984.30

Item	Current Period	Previous Year's Period

	Revenue	Cost	Revenue	Cost
Zinc-Manganese Carbon Batteries	18,369,782.24	14,972,463.71	24,072,597.56	20,090,278.25
Lithium-ion Batteries	1,639,182,429.81	1,467,960,797.75	1,117,481,054.86	1,219,299,305.54
Small Polymer Lithium-ion Batteries	287,454,515.93	244,090,251.08	206,613,552.58	177,942,080.56
Other	57,615,963.17	7,938,123.55	64,382,377.53	17,185,054.49
Subtotal	3,671,054,739.31	3,062,017,343.58	2,796,816,309.58	2,508,948,703.14

2) Revenue from contracts with customers broken down by operating region

Item	Current Period		Previous Year	
	Revenue	Cost	Revenue	Cost
Domestic	2,612,208,068.97	2,222,094,394.13	1,993,415,230.11	1,905,183,135.01
Overseas	1,058,846,670.34	839,922,949.45	803,401,079.47	603,765,568.13
Subtotal	3,671,054,739.31	3,062,017,343.58	2,796,816,309.58	2,508,948,703.14

3) Revenue arising from contracts with customers is recognized over time based on the transfer of goods or services.

Item Item	Current Period	Prior Period Amount
Revenue recognized at a point in time	3,671,054,739.31	2,796,816,309.58
Small Total	3,671,054,739.31	2,796,816,309.58

(3) Revenue recognized in the current period included in the opening carrying amount of contract liabilities was RMB 53,629,950.22.

2. Taxes and Surcharges

Item Item	Current Period Amount	Previous Year
Urban Maintenance and Construction Tax	3,774,905.54	2,715,049.26
Education Surcharge	2,684,993.34	1,946,429.91
Property Tax	1,296,944.75	973,242.09
Stamp Duty	3,225,915.45	2,385,106.16
Land Use Tax	426,921.80	199,661.09
Environmental Protection Tax	82,176.86	77,526.88
Cultural Development Fee	159,991.93	683.18
Total Total	11,651,849.67	8,297,698.57

3. Selling Expenses

Item Item	Current Period	Previous Year
Market Support Expenses	30,576,213.86	48,755,667.69
Employee Compensation	26,328,880.43	24,335,513.05
Credit insurance premiums	8,075,719.00	5,667,115.65
Business Activity Expenses	3,807,139.39	2,360,868.67
Customs fees	3,073,021.79	2,096,277.80
Travel expenses	1,932,923.15	1,523,032.41
Other	5,264,978.91	5,540,803.35
Total	79,058,876.53	90,279,278.62

4. Administrative Expenses

Item Item	Current Period	Previous Year
Employee Compensation	51,561,901.03	50,102,259.43
Depreciation and Amortization	5,992,674.55	3,817,494.00
Intermediary service fees	2,915,713.13	6,611,077.12
Travel Expenses	1,750,174.74	1,362,485.85
Environmental Protection Fee	1,596,429.13	1,495,257.86
Disability Employment Security Fund	1,413,039.58	1,364,960.03
Insurance Premiums	1,101,505.21	1,449,148.29
Labor subsidy expenses	1,026,953.65	920,304.17
Litigation Fees	799,420.71	2,016,950.40
Other	8,590,845.76	8,573,455.81
Total Total	76,748,657.49	77,713,392.96

5. Research and Development Expenses

Item Item	Current Period	Previous Year's Period
R&D Material Consumption	84,415,912.35	103,409,865.12
Employee Compensation	48,883,003.21	37,371,555.93

Item Item	Current Period Amount	Previous Year
Depreciation and Amortization	13,653,339.84	13,552,661.80
Utilities	6,685,291.08	5,721,713.35
Other	3,883,217.33	4,728,368.01
Total Total	157,520,763.81	164,784,164.21

6. Financial Expenses

Item Item	Current Period	Previous Year's Period
Interest Expense	56,566,105.49	58,246,102.72
Less: Interest Income	4,640,602.04	3,637,001.44
Add: Foreign exchange loss	-5,183,869.65	7,398,182.77
Other	1,426,923.97	1,423,621.49
Total Total	48,168,557.77	63,430,905.54

7. Other Income

Item Item	Current Period Amount	Previous Year	Amount of Non-recurring Included in Current Period
Government grants related to assets	8,435,781.97	12,998,873.24	8,435,781.97
Government grants related to income	19,276,286.66	19,992,960.04	19,276,286.66
Refund of withholding tax handling fees	346,140.81	356,488.24	
Value-added tax additional deduction	17,931,402.66	13,560,162.59	
Tax Preferences for Key Groups	208,100.00		
Total Total	46,197,712.10	46,908,484.11	27,712,068.63

8. Investment Income

Item Item	Current Period	Previous Year's Period
Equity Method Long-Term Equity Investment Income	2,713,194.22	1,433,068.38
Gain on disposal of derivative financial assets and liabilities from disposal of derivative financial assets and liabilities	1,102,337.18	-1,003,790.63
Total Total	3,815,531.40	429,277.75

9. Fair value change gains

Item Item	Current Period Amount	Previous Year
Gain on Fair Value Changes of Derivative Financial Instruments	-5,723,562.46	-481,357.33
Fair value changes in non-trading equity instruments	306,464.68	-154,339.53
Total Total	-5,417,097.78	-635,696.86

10. Credit impairment loss

Item Item	Current Period Amount	Year-over-year figure
Bad debt expense	-3,591,602.03	-2,758,713.38
Total Total	-3,591,602.03	-2,758,713.38

11. Asset Impairment Loss

Item Item	Current Period Amount	Previous Year
Inventory Write-Down Loss	-30,799,365.19	-260,443,888.80
Goodwill impairment loss		-105,805,257.68
Total Total	-30,799,365.19	-366,249,146.48

12. Gain on asset disposal

Item Item	Current Period Amount	Previous Year's Period Amount	Amount of Non-Recurring Losses Included in Current Period Included in Non-recurring Income
Gain on disposal of right-of-use assets	332,519.83		332,519.83
Gain on disposal of fixed assets	-255,432.06	10,621.68	-255,432.06
Total Total	77,087.77	10,621.68	77,087.77

13. Non-operating income

Item Item	Current Period Amount	Previous Year's Period Amount	Non-recurring Losses Included in Current Period Amount
Quality Claims	923,600.00	1,447,960.00	923,600.00
Non-current assets destroyed or scrapped Gains	60,177.00		60,177.00
Settlement of Long-Term Accounts Receivable	680,520.61	396,591.63	680,520.61

Item Item	Current Period	Previous Year's Period	Non-recurring loss included in current period Included in Non-Recurring Income
Other	397,394.00	724,298.40	397,394.00
Total Total	2,061,691.61	2,568,850.03	2,061,691.61

14. Non-operating Expenses

Item Item	Current Period Amount	Previous Year's Amount	Non-recurring Losses Included in Current Period Amount
Loss on disposal of non-current assets	123,423.69	170,541.81	123,423.69
Of which: Disposal of fixed assets Loss	123,423.69	170,541.81	123,423.69
Fines and late payment penalties	73,232.75		73,232.75
Other	44,755.54	280,439.41	44,755.54
Total Total	241,411.98	450,981.22	241,411.98

15. Income Tax Expense

(1) Details

Item Item	Current Period Amount	Previous Year's Period Amount
Current Income Tax Expense	19,957,724.88	9,799,718.07
Deferred income tax adjustments	202,284.62	-36,097,524.09
Total Total	20,160,009.50	-26,297,806.02

(2) Adjustment Process for Accounting Profit and Income Tax Expense

Item Item	Current Period Amount	Previous Year's Amount
Total Profit	247,991,236.36	-436,815,137.83
Income tax expense calculated at the parent company's applicable tax rate	37,198,685.45	-65,522,270.67
Impact of different tax rates applied to subsidiaries	257,702.46	-1,163,004.72
Impact of Adjusting Prior Period Income Taxes	146,223.32	-50,946.17
Impact of non-taxable income	-425,339.40	-574,559.72
Impact of non-deductible costs, expenses, and losses Impact	873,722.04	-21,210,391.91

Impact of Utilizing Previously Unrecognized Deferred Tax Assets -15,439,962.40	-15,143,962.40	-8,561,437.74
Impact of unrecognized deferred tax assets on deductible losses for the current period temporary differences or deductible losses	16,796,928.76	70,784,804.91
Impact of additional deductions for R&D expenses and similar items	-19,543,950.73	
Income tax expense	20,160,009.50	-26,297,806.02

16. Net comprehensive income after tax

For details on the net amount of other comprehensive income after tax, please refer to Note 5(1)40 to these financial statements.

(3) Notes to Consolidated Cash Flow Statement Items

1. Cash received or paid for other activities related to operating, investing, and financing activities

(1) Cash received from other operating activities

Item Item	Current Period Amount	Previous Year's Period Amount
Government grants	39,831,086.66	40,719,278.95
Deposits and Guarantees	5,434,941.70	9,472,543.20
Collection and Payment Services	500,000.00	1,496,575.16
Other	2,234,041.04	2,280,930.50
Total Total	48,000,069.40	53,969,327.81

(2) Cash paid for other operating activities

Item Item	Current Period Amount	Previous Year's Period Amount
Period expenses related to daily operations	81,611,200.18	72,336,994.03
Deposits paid	8,215,676.21	9,250,985.70
Contingency funds paid	2,109,225.30	2,123,812.63
Other	6,521,331.34	19,758,059.80
Total Total	98,457,433.03	103,469,852.16

(3) Cash received from other investing activities

Item Item	Current Period	Previous Year's Period Amount
Interest income	4,640,602.04	3,171,085.59
Other	118,867.19	
Total Total	4,759,469.23	3,171,085.59

(4) Cash received from other financing activities

Item Item	Current Period	Previous Year
Discounting of notes	15,000,000.00	50,577,297.21
Restricted cash and cash equivalents Adjustments such as opening/closing balances	14,708,445.42	32,877,526.79
Other (Received finance lease payments)	500,000.00	70,820,000.00
Total Total	30,208,445.42	154,274,824.00

(5) Cash paid for other financing activities

Item Item	Current Period	Previous Year
Cash and cash equivalents with restricted use Adjustments such as opening/closing balances	56,992,471.10	14,708,445.42
Discounted notes	279,041.67	20,000,000.00
Repayment of Principal and Interest on Lease Liabilities	107,088,270.21	89,579,110.70
Total Total	164,359,782.98	124,287,556.12

2. Supplemental Notes to the Cash Flow Statement

Supplementary Information	Current Period	Prior Period Amount
(1) Adjusting net profit to cash flows from operating activities:		
Net Profit	227,831,226.86	-410,517,331.81
Add: Impairment loss on assets	30,799,365.19	366,249,146.48
Credit impairment allowance	3,591,602.03	2,758,713.38
Depreciation of fixed assets, amortization of right-of-use assets, and impairment of oil and gas assets Asset Impairment, Depreciation of Productive Biological Assets	204,039,800.53	196,534,493.56
Amortization of intangible assets	9,049,610.87	9,454,025.60
Amortization of deferred expenses	8,267,147.56	7,520,847.47
Disposal of fixed assets, intangible assets, and other long-term assets	-77,087.77	-10,621.68
Loss on assets (gains are indicated with a "" sign)		
Loss on disposal of fixed assets (gains to be entered with a "-" sign)	63,246.69	
Fair value change loss (gain indicated by ""))	5,417,097.78	635,696.86

Financial expenses (gains indicated with "-")	47,440,523.26	62,007,284.05
Investment Losses (Gains indicated with "-")	-3,815,531.40	-429,277.75
Decrease in deferred tax assets (increase indicated by "-")	43,093,431.08	-39,874,405.97
Increase in deferred income tax liabilities (decrease indicated by "-")	-42,891,146.46	7,306,503.80
Supplementary Information	Current Period	Previous Year's Period
Decrease in inventory (increase indicated with "-")	-104,994,742.57	236,254,606.02
Decrease in operating receivables (increase indicated with "-")	106,372,837.76	-152,542,059.70
Increase in operating payables (decrease indicated with "-")	-180,578,260.44	-321,949,358.73
Net Cash Flow from Operating Activities	353,609,120.97	-36,601,738.42
(2) Significant investment and financing activities not involving cash receipts or payments:		
Debt-to-equity conversion		
Convertible corporate bonds due within one year		
Newly acquired right-of-use assets		
(3) Net change in cash and cash equivalents:		
Cash balance at end of period	458,743,098.99	329,327,102.26
Less: Beginning balance of cash	329,327,102.26	258,913,552.52
Add: Closing balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	129,415,996.73	70,413,549.74

3. Composition of Cash and Cash Equivalents

(1) Details

Item Item	Ending Balance	Beginning Balance
1) Cash	458,743,098.99	329,327,102.26
Of which: Cash on hand		
Bank deposits available for immediate payment	458,743,098.99	306,906,996.45
Other monetary funds available for immediate payment		22,420,105.81
Deposits with the central bank available for payment		

Deposits with other financial institutions		
Interbank placements		
2) Cash equivalents		
Including: Bond investments maturing within three months		
3) Cash and cash equivalents balance at period end	458,743,098.99	329,327,102.26
Including: Restricted cash used by the parent company or subsidiaries within the group		

Item Item	Ending Balance	Beginning Balance
and Cash Equivalents		

(2) Monetary funds not classified as cash and cash equivalents

Item Item	Ending Balance	Beginning Balance	Reasons for not being classified as cash and cash equivalents Reason
Bill of exchange deposits	54,798,828.09	14,708,445.42	Bill deposits
Interest receivable		157,218.05	Fixed Deposit Interest
Forward transaction margin	461,422.97		Forward transaction margin
Restricted Bank Deposits	1,732,220.04		Litigation Freeze
Small Total	56,992,471.10	14,865,663.47	

4. Changes in Liabilities Related to Financing Activities

Item Item	Beginning Balance	Increase for the Period	
		Cash Changes	Non-Cash Changes
Short-term borrowings	592,850,000.00	846,750,000.00	
Short-term borrowings - not derecognized	94,500,000.00	15,000,000.00	
Short-term borrowings - Accrued interest	770,991.60		1,443,356.50
Long-term borrowings (including current portion))	816,420,362.48	308,000,000.00	
Long-term borrowings (including long-term borrowings due within one year)) - Accrued Interest	946,722.08		780,885.43
Lease liabilities (including lease liabilities due within one year))	232,850,291.19		54,890,352.08
Subtotal	1,738,338,367.35	1,169,750,000.00	57,114,594.01

(Continued from previous table)

Item Item	Decrease for the Period		Ending Balance
	Cash Changes	Non-Cash Changes	
Short-term borrowings	698,799,704.34		740,800,295.66
Short-term borrowings - not derecognized		94,500,000.00	15,000,000.00
Short-term borrowings - Accrued interest	770,991.60		1,443,356.50
Long-term borrowings (including current portion))	386,613,909.24		737,806,453.24
Long-term borrowings (including current portion) - Accrued interest) - Accrued Interest	946,722.08		780,885.43
Item Item	Decrease for the Period		Ending Balance
	Cash Changes	Non-cash Changes	
Lease liabilities (including lease liabilities due within one year))	105,037,870.21	16,210,231.81	166,492,541.25
Subtotal	1,192,169,197.47	110,710,231.81	1,662,323,532.08

(IV) Other

1. Foreign Currency Monetary Items

(1) Details

Item Item	Ending Foreign Currency Balance	Conversion Rate	Balance Converted to RMB at End of Period
Cash and Cash Equivalents			59,239,791.57
Of which: USD	2,643,181.22	7.1884	19,000,243.88
Japanese Yen	102,218,381.00	0.046233	4,725,862.41
Euro	88,782.45	7.5257	668,150.08
Baht	163,871,797.74	0.212639	34,845,535.20
Accounts Receivable			207,185,318.28
Of which: USD	26,753,476.45	7.1884	¥192,314,690.11
Japanese Yen	83,365,078.40	0.0462	3,851,466.62
Euro	1,464,204.20	7.5257	11,019,161.55
Other receivables			16,157.60
Of which: Thai Baht	76,000.00	0.2126	16,157.60
Accounts Payable			5,031,509.37

Of which: USD	699,948.44	7.1884	5,031,509.37
Other Payables			1,739,927.13
Of which: Thai Baht	8,184,041.04	0.2126	1,739,927.13

(2) Overseas Operating Entities

Overseas Operating Entity	Principal Place of Business	Functional Currency	Basis of Selection
Changhong New Energy (Thailand) Co., Ltd.	Thailand	Thai Baht	Currency of Operating Location

2. Leasing

(1) The Company as lessee

1) For details regarding right-of-use assets, please refer to Note V(1)15 to these financial statements.

2) The Company's accounting policies for short-term leases and leases of low-value assets are detailed in Note 3(XXVII) to these financial statements. The amount of short-term lease expenses recognized in profit or loss for the period is as follows:

Item Item	Current Period Amount	Year-on-year figures
Short-term rental expenses	835,556.06	503,322.89
Total Total	835,556.06	503,322.89

3) Current Profit or Loss and Cash Flows Related to Leases

Item Item	Current period amount
Interest expense on lease liabilities	7,836,024.85
Total Cash Outflow Related to Leases	107,923,826.27
Gain or Loss on Sale and Leaseback Transactions	73,706.04

4) For an analysis of the maturity profile of lease liabilities and the corresponding liquidity risk management, please refer to Note IX(2) to these financial statements.

3. Supplier Financing Arrangements

(1) Terms and conditions of supplier financing arrangements

Type of supplier financing arrangement	Terms and Conditions
Hongchain Preferred Order Business	Suppliers obtain discounting from financial institutions based on Hongchain Premium Orders issued by the company , shortening the payment collection period

(2) Liabilities Related to Supplier Financing Arrangements

1) Related liabilities' book value

Item Item	Ending Balance	Beginning Balance
Accounts Payable	80,206,495.88	13,162,356.41
Of which: Payments received by suppliers	80,206,495.88	13,162,356.41
Small Total	80,206,495.88	13,162,356.41

2) Related Liabilities Payment Due Date Range

Item Item	Payment Due Date Range at End of Period
Liabilities under financing arrangements	1–9 months after invoice issuance

VI. Research and Development Expenditures

Item Item	Current Period Amount	Previous Year's Period Amount
R&D Material Consumption	84,415,912.35	103,409,865.12
Item Item	Current Period	Previous Year

Employee Compensation	48,883,003.21	37,371,555.93
Depreciation and Amortization	13,653,339.84	13,552,661.80
Utilities	6,685,291.08	5,721,713.35
Other	3,883,217.33	4,728,368.01
Total Total	157,520,763.81	164,784,164.21
Of which: Expensed R&D expenditures	157,520,763.81	164,784,164.21

VII. Interests in Other Entities

(1) Composition of the Enterprise Group

1. The Company includes Changhong Sanjie and six other subsidiaries within the scope of its consolidated financial statements.

2. Basic Information of Subsidiaries

Subsidiary Name	Registered Capital (RMB 10,000)	Principal Place of Business and Registered Location	Business Nature	Shareholding Ratio (%)		Acquisition Method
				Direct	Indirect	
Changhong Flying Lion	7,642.89	Jiaxing City	Battery Manufacturing	70.17		Non-Controlling Interest Subsequent Business Combination
Changhong New Energy (Taiwan) China) Co., Ltd.	2,000.00 (US$ million)	Thailand	Battery Manufacturing		99.9995 [Note 1]	Established
Changhong Sanjie	6,981.71	Taixing City	Battery Manufacturing	66.83		Non-Controlling Interest Subordinate Enterprise Merger
Jiechuang Lithium Battery	20,000.00	Mianyang City	Battery Manufacturing		100.00	Established
Changhong Sanjie New Energy (Suzhou) Co., Ltd. Co., Ltd.	5,000.00	Suzhou	Research and Testing		100.00	Establishment
Shenzhen Juheyuan	8,414.11 [Note 2]	Shenzhen	Battery Manufacturing	61.70		Non-Common Control Business Combination
Hunan Juheyuan	2,000.00	Yueyang City	Battery Manufacturing		100.00	Establishment

[Note 1] In accordance with Thailand's requirement that foreign companies must have at least two shareholders, Changhong New Energy (Thailand) Co., Ltd.

was jointly established by Changhong Feishi and natural person Song Chunyuan. Natural person Song Chunyuan contributed USD 100 as a nominal shareholder and does not enjoy shareholder rights.

[Note 2] On December 23, 2024, Shenzhen Juheyuan and original shareholders Changhong Energy, Wang Sifan,Shenzhen

Tengying Management Consulting Center (Limited Partnership), and solicited prospective investors signed the "Capital Increase and Share Expansion Agreement" and its supplementary agreements. Each investor subscribed to 23,251,646 yuan of newly issued registered capital of Shenzhen Juheyuan at a price of 2.695 yuan per yuan of registered capital.

for a total consideration of RMB 62,663,185. Following this capital increase, Shenzhen Juheyuan's registered capital will be increased to RMB 84,141,120

. Changhong Energy's shareholding ratio remains unchanged at 61.70%.

(2) Changes in the scope of consolidation due to other reasons

Expansion of Consolidation Scope

Company Name	Method of Equity Acquisition	Date of Equity Acquisition	Contribution Amount	Equity Ratio
Changhong New Energy (Thailand) Guo) Co., Ltd.	Established	July 4, 2024	66,984,864.13	99.9995%

(3) Significant Non-Wholly Owned Subsidiaries

1. Details

Subsidiary Name	Minority Shareholder Ownership Ratio (%)	Profit/Loss Attributable to Minority Interests for the Period	Profit/Loss Attributable to Minority Interests for the Period Declared Dividends for the Period	Minority Interest Balance at Year-End
Changhong Feishi	29.83	11,694,261.89	8,949,000.00	119,220,004.22
Changhong Sanjie	33.17	15,290,914.60		19,335,420.18
Shenzhen Juheyuan	38.30	3,661,112.11		53,831,415.09

2. Key Financial Information of Major Non-Wholly Owned Subsidiaries

(1) Assets and Liabilities

Subsidiary Name	Ending Balance					
	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current liabilities	Total Liabilities
Changhong Feishi	420,918,081.30	257,260,931.75	678,179,013.05	279,607,148.56	20,762,940.81	300,370,089.37
Changhong Sanjie	1,095,703,876.65	1,594,962,164.69	2,690,666,041.34	2,229,630,505.44	411,442,854.69	2,641,073,360.13
Shenzhen Juheyuan	180,718,785.11	154,860,683.54	335,579,468.65	135,802,513.91	69,832,981.53	205,635,495.44

(Continued from previous table)

Subsidiary Name	Opening Balance					
	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current liabilities	Total Liabilities
Changhong Feishi	306,363,530.14	245,325,478.79	551,689,008.93	312,725,239.28	29,661,957.69	342,387,196.97
Changhong Sanjie	1,161,403,430.88	1,598,399,228.61	2,759,802,659.49	2,139,640,456.82	618,340,325.84	2,757,980,782.66
Shenzhen Juheyuan	100,484,302.19	108,735,360.02	209,219,662.21	118,097,408.63	13,215,285.34	131,312,693.97

(2) Profit and Loss and Cash Flow

Subsidiary Name	Current Period Amount				Previous Year's Period			
	Operating Revenue	Net Profit	Total Comprehensive Income	Cash Flow from Operating Activities Volume	Revenue	Net profit	Total Comprehensive Income	Cash Flow from Operating Activities Volume
Changhong Feishi	658,289,252.88	46,319,078.92	46,319,078.92	79,578,855.08	541,730,064.17	41,350,956.95	41,350,956.95	78,015,175.75
Changhong Sanjie	1,693,860,526.15	46,803,112.35	46,803,112.35	143,524,783.83	1,146,150,082.97	-460,661,967.66	-460,661,967.66	-295,658,889.98
Shenzhen Juheyuan	297,309,439.87	14,024,913.69	14,024,913.69	31,028,370.57	215,312,298.57	4,375,751.87	4,375,751.87	22,518,684.69

(IV) Interests in Joint Ventures or Associates

1. Significant Associates

(1) Basic Information

Name of Associate	Principal Place of Business	Place of Incorporation	Nature of Business	Equity Interest (%)		Accounting Treatment for Investments in Joint Ventures or Associates
				Direct	Indirect	
Sichuan Sanglide Precision Parts Manufacturing Co., Ltd. Co.	Mianyang	Mianyang	Production	35.00		Equity Method

2. Key Financial Information of Significant Associates

Item Item	Ending Balance/Current Period Amount	Beginning Balance/Prior Period Balance
Current Assets	81,835,236.18	70,437,644.17
Of which: Cash and cash equivalents	22,629,062.99	26,939.022.95
Non-current assets	50,456,972.47	49,432,443.07
Total Assets	132,292,208.65	119,870,087.24
Current Liabilities	26,513,481.99	19,911,533.29
Non-current liabilities	145,934.34	577,745.11
Total Liabilities	26,659,416.33	20,489,278.40
Minority Interests		
Equity attributable to owners of the parent company	105,632,792.32	99,380,808.84
Net assets attributable to shareholders based on equity interest ratio Amount	36,971,477.31	34,400,214.72
Adjustments	-1,066,762.75	-683,694.38
Goodwill		
Unrealized gains on internal transactions		
Other	-1,066,762.75	-683,694.38
Book value of equity investment in the joint venture Value	35,904,714.56	33,716,520.34
Fair value of equity investments in joint ventures with publicly quoted prices Fair value of equity investments in joint ventures with publicly quoted prices		
Operating Revenue	139,104,419.07	113,475,452.84
Financial expenses	-33,835.46	155,742.95

Income tax expense	341,118.11	-70,509.11

Item Item	Ending Balance/Current Period Amount	Beginning Balance/Prior Period Balance
Net Profit	7,751,983.48	4,094,481.08
Net Profit from Discontinued Operations		
Other Comprehensive Income		
Total Comprehensive Income	7,751,983.48	4,094,481.08
Dividends received from associates during the period Dividends	525,000.00	1,050,000.00

VIII. Government Grants

(a) New government grants received during the period

Item Item	Amount of New Subsidies Added During the Period
Asset-Related Government Subsidies	18,054,800.00
Of which: Recognized in deferred income	18,054,800.00
Government grants related to income	19,276,286.66
Of which: Recognized in other comprehensive income	19,276,286.66
Interest subsidies	4,000,000.00
Of which: Offset against financial expenses	4,000,000.00
Total Total	41,331,086.66

(2) Liability items involving government subsidies

Financial Statement Line Item	Beginning Balance	Current Period Additions Subsidy Amount	Amount Recognized in Current Period Other Income Amount	Non-operating income recognized in the current period Amount
Deferred income	61,005,574.41	18,054,800.00	8,435,781.97	
Small Total	61,005,574.41	18,054,800.00	8,435,781.97	

(Continued from previous table)

Financial Statement Presentation Items	Current Period Cost Deduction Amount of Expense	Current Period Capital Assets	Other Changes	Ending Balance	Assets/Income Related
Deferred Revenue				70,624,592.44	Related to Assets
Small Total				70,624,592.44	

(3) Amount of government subsidies recognized in profit or loss for the period

Item Item	Current Period Amount	Previous Year's Amount
Government grants recognized in other comprehensive income	27,712,068.63	32,991,833.28
Impact of Fiscal Interest Subsidy on Total Profit	4,000,000.00	
Total Total	31,712,068.63	32,991,833.28

IX. Risks Related to Financial Instruments

The Company's risk management objective is to achieve a balance between risk and return, minimize the negative impact of risks on the Company's operating performance, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the Company's fundamental risk management strategy is to identify and analyze the various risks it faces, establish appropriate risk tolerance thresholds and implement risk management measures, and monitor various risks in a timely and reliable manner to keep them within defined limits.

The Company faces various risks associated with financial instruments in its daily activities, primarily including credit risk, liquidity risk, and market risk. Management has reviewed and approved policies for managing these risks, summarized as follows.

(1) Credit Risk

Credit risk refers to the risk that one party to a financial instrument may fail to fulfill its obligations, resulting in financial loss to the other party.

1. Credit Risk Management Practices

(1) Credit Risk Assessment Methodology

At each balance sheet date, the Company assesses whether the credit risk associated with relevant financial instruments has increased significantly since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that can be obtained without incurring undue additional cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk ratings, and forward-looking information.The company assesses changes in the risk of default over the expected life of a financial instrument by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition, either on an individual instrument basis or for a portfolio of instruments with similar credit risk characteristics.

The Company considers a significant increase in the credit risk of a financial instrument to have occurred when one or more of the following quantitative or qualitative criteria are triggered:

1) Quantitative criteria primarily involve an increase in the probability of default over the remaining term at the balance sheet date exceeding a specified percentage compared to the initial recognition date;

2) Qualitative criteria primarily include significant adverse changes in the debtor's operating or financial condition, or existing or anticipated changes in the technological, market, economic, or legal environment that will have a significant adverse impact on the debtor's ability to repay the company.

(2) Definition of Default and Credit-Impaired Assets

The Company defines a financial asset as having experienced a credit event when one or more of the following conditions are met, consistent with the definition of credit impairment:

1) The debtor experiences significant financial difficulties;

2) The debtor breaches a covenant in the contract that is binding on the debtor;

3) The debtor is highly probable to undergo bankruptcy or other financial restructuring;

4) The creditor makes concessions to the debtor based on economic or contractual considerations related to the debtor's financial difficulties that would not be made under any other circumstances.

2. Measurement of Expected Credit Losses

Key parameters for measuring expected credit losses include the probability of default, loss given default, and exposure at default. The company considers quantitative analysis and forward-looking information from historical statistical data (such as counterparty ratings, types of guarantees and collateral, repayment methods, etc.) to establish models for PD, LSL, and EEP.

3. The reconciliation between the opening and closing balances of the allowance for losses on financial instruments is detailed in Notes V(1)4,V(1)5, V(1)6, and V(1)8 to these financial statements.

4. Credit Risk Exposure and Concentration

The Company's credit risk primarily arises from cash and cash equivalents and accounts receivable. To control the aforementioned risks, the Company has implemented the following measures.

(1) Cash and Cash Equivalents

The Company deposits its bank deposits and other cash and cash equivalents with financial institutions with high credit ratings, resulting in low credit risk.

(2) Accounts Receivable

The Company regularly conducts credit assessments of customers engaged in credit-based transactions. Based on these assessments, the Company selects transactions with approved customers possessing sound creditworthiness and monitors their accounts receivable balances to ensure it is not exposed to significant bad debt risks.

As the Company's accounts receivable risk is distributed across multiple partners and customers, as of December 31, 2024, 26.63% (December 31, 2023: 29.22%) of the Company's accounts receivable originated from the top five customers by balance. The Company does not face significant credit concentration risk.

The Company's maximum credit risk exposure is the carrying value of each financial asset on the balance sheet.

(2) Liquidity Risk

Liquidity risk refers to the risk of a funding shortfall when the Company fulfills obligations settled by delivering cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets promptly at fair value; the counterparty's failure to repay contractual obligations; the early maturity of debt; or the inability to generate expected cash flows.

To manage this risk, the Company employs a combination of financing methods, including bill settlements and bank borrowings, and optimizes its financing structure by appropriately balancing long-term and short-term financing to maintain continuity and flexibility. The Company has secured credit facilities from multiple commercial banks to meet working capital requirements and capital expenditures.

1. Financial liabilities at the end of the period are classified by remaining maturity

Item	Balance at end of period				
	Carrying Amount	Undiscounted Contract Amount	Within 1 year	1-3 years	Over 3 years
Short-term borrowings (including undiscounted bills) discounted notes)	757,243,652.16	771,560,150.75	771,560,150.75		
Derivative financial liabilities	4,974,494.13	4,974,494.13	4,974,494.13		
Notes payable	373,227,265.57	373,227,265.57	373,227,265.57		
Accounts Payable	1,133,618,348.18	1,133,618,348.18	1,133,618,348.18		
Other Payables	74,048,298.24	74,048,298.24	74,048,298.24		

Item	Ending Balance				
	Book Value	Undiscounted Contract Amount	Within 1 year	1-3 years	Over 3 years
Long-term borrowings (including classified as current borrowings due within one year))	738,587,338.67	920,111,084.50	220,311,849.96	555,403,569.70	144,395,664.84
Lease liabilities (including classified as current liabilities) current liabilities)	166,492,541.25	179,760,937.67	45,899,808.95	81,722,385.87	52,138,742.85
Long-term payables (including classified as current liabilities) long-term payables)	10,000,000.00	10,000,000.00	3,696,367.49	6,303,632.51	
Subtotal	3,258,191,938.20	3,467,300,579.04	2,627,336,583.27	643,429,588.08	196,534,407.69

2. Financial liabilities at end of previous year classified by remaining maturity

Item	Within one year	One to two years	2 to 5 years	Over five years	Total
Short-term borrowings	688,120,991.60				688,120,991.60
Financial liabilities held for trading	2,056,673.94				2,056,673.94
Notes payable	353,320,044.22				353,320,044.22
Accounts Payable	1,211,246,357.29				1,211,246,357.29
Other Payables	93,832,732.83				93,832,732.83
Current portion of non-current liabilities Current liabilities	471,067,581.92				471,067,581.92
Long-term borrowings	635,294.54	126,784,453.52	254,463,255.33	48,558,744.39	430,441,747.78
Lease liabilities		83,545,211.49	64,120,510.98	3,019,017.54	150,684,740.01
Subtotal	2,820,279,676.34	210,329,665.01	318,583,766.31	51,577,761.93	3,400,770,869.59

(3) Market Risk

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

1. Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments may fluctuate due to changes in market interest rates. Fixed-rate interest-bearing financial instruments expose the Company to fair value interest rate risk, while floating-rate interest-bearing financial instruments expose the Company to cash flow interest rate risk.The Company determines the proportion of fixed-rate versus floating-rate financial instruments based on market conditions and maintains an appropriate portfolio through regular review and monitoring. The Company's cash flow interest rate risk primarily relates to bank borrowings bearing interest at floating rates.

As of December 31, 2024, the Company had bank borrowings bearing interest at floating rates of RMB 738,452,324.94(December 31, 2023: RMB 752,960,389.23) Assuming all other variables remain constant, a 50-basis-point change in interest rates would not have a material impact on the Company's total profit or shareholders' equity.

2. Foreign Exchange Risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in foreign exchange rates. The Company's exposure to exchange rate fluctuations primarily relates to its foreign currency monetary assets and liabilities. For foreign currency assets and liabilities, if short-term imbalances arise, the Company will buy or sell foreign currencies at market rates as necessary to ensure that net exposure is maintained at an acceptable level.The Company operates in mainland China, and its primary activities are denominated in Renminbi. Therefore, the Company's exposure to market risk arising from foreign exchange fluctuations is not significant.

Details of the Company's foreign currency monetary assets and liabilities at the end of the period are provided in Note V(4)1 to these financial statements.

(iv) Hedging Activities

1. Risk Management of Hedging Transactions

Item	Corresponding Risk Management Strategy and Objectives	Qualitative and Quantitative Information on Hedged Risks Hedging	The relationship between hedged items and related hedging instruments Economic relationship between hedged items and related hedging instruments	Expected effective achievement of risk management objectives of corresponding hedging activities	Hedging activities' impact on risk exposure Impact
Forward Foreign Exchange Contracts	Hedging strategies for foreign exchange or interest rate risk, with hedging as the core and risk prevention as the objective foreign exchange or interest rate risk mitigation strategies	The extent to which changes in the fair value of the hedging instrument offset changes in the fair value of the hedged item arising from the hedged risk	The Company employs forward foreign exchange contracts to hedge against exchange rate fluctuation risks. Forward foreign exchange contracts purchased by the Company are designated as hedging instruments and accounted for using hedge accounting methods. Unrecognized assets and liabilities, such as unrecognized commitments, are evaluated at the balance sheet date.	Foreign exchange hedging refers to the management of risk exposures arising from foreign exchange and interest rate risks by designating financial instruments as hedging instruments. This is done to ensure that changes in the fair value or cash flows of the hedging instruments are expected to offset all or part of the changes in the fair value or cash flows of the hedged items. Risk management activities	In accordance with hedge accounting standards, to ensure hedge effectiveness, the prerequisites for hedging exposures are that the currencies are the same, the directions are opposite, and the expected dates of receipt or payment of foreign exchange are similar.

2. Implementation of qualifying hedging transactions and application of hedge accounting

Item	Book value related to the hedged item and hedging instrument	Cumulative fair value adjustments included in the recognized carrying amount of hedged items Hedge adjustments	Source of hedge effectiveness and ineffective hedge components	Relevant impact of hedge accounting on the company's financial statements
Hedged risk type				
Foreign exchange risk	261,568,680.70	Not applicable	Effective Portion of Hedge Source: The portion of gains or losses from the delivery of the hedging instrument that is equal in amount and opposite in direction to the gains or losses from the delivery of the hedged item; Ineffective Portion of Hedge Source: The portion of gains or losses from the delivery of the hedging instrument that is equal in amount but opposite in direction to the gains or losses from the delivery of the hedged item, and the portion of gains or losses from the delivery of the hedging instrument that is equal in amount and same in direction to the gains or losses from the delivery of the hedged item	Derivative Financial Assets: 1,024,997.40 Derivative Financial Liabilities: 4,974,494.13 Financial Expenses - Foreign Exchange Losses: 3,806,565.62 Investment income - gains from disposal of derivative financial assets and liabilities : 1,102,337.18 Gain on fair value changes - Derivative financial instruments: Financial Instruments: -5,723,562.46
Hedge Category				
Fair value hedge	261,568,680.70	Not applicable	Effective portion of hedge origin: The portion of gains or losses on delivery of the hedging instrument that is equal in amount and opposite in direction to the gains or losses on delivery of the hedged item; Ineffective portion of hedge origin: The portion of gains or losses on delivery of the hedging instrument that is opposite in direction to the gains or losses on delivery of the hedged item, and	Derivative Financial Assets: 1,024,997.40 Derivative Financial Liabilities: 4,974,494.13 Financial Expenses - Foreign Exchange Losses: 3,806,565.62 Investment Income - Disposal of Derivative Financial Instruments

Item	Carrying Amount Related to Hedged Items and Hedging Instruments	Cumulative fair value adjustments to hedged items included in the carrying amount of recognized hedged items Hedge Adjustment	Source of hedge effectiveness and ineffective hedge components	Impact of hedge accounting on the company's financial statements
(V) Transfer of Financial Assets			Hedging instrument settlement gains or losses in the same direction as the hedged item settlement gains or losses	Investment income from assets and liabilities: 1,102,337.18 Gains from fair value changes - Derivative instruments: Financial instruments: -5,723,562.46

1. Basic Information on Financial Asset Transfers

Transfer Method	Transferred Financial Assets Nature	Transferred Financial Assets Amount	Derecognition	Determination of Derecognition Based on
Bill endorsement	Accounts Receivable Financing	713,065,164.18	Derecognition	has transferred substantially all of its risks and rewards
Bill Discounting	Accounts Receivable Financing	1,064,265.00	Derecognition	has transferred substantially all of its risks and rewards
Small Total		714,129,429.18		

2. Financial Assets Derecognized Due to Transfer

Item Item	Method of Financial Asset Transfer	Amount of Financial Assets Derecognized	Gain or Loss Related to Derecognition Losses Related to Derecognition
Receivables Financing	Endorsement	713,065,164.18	
Receivables Financing	Discounting	1,064,265.00	-4,575.82
Small Total		714,129,429.18	-4,575.82

3. Amount of assets and liabilities arising from transfers of financial assets with continuing involvement

Item Item	Asset Transfer Method	Assets arising from continuing involvement Amount	Liabilities arising from continued involvement Amount
Short-term borrowings	Discounted		15,000,000.00
Small Total			15,000,000.00

X. Fair Value Disclosure

(1) Details of Fair Value at Period-End for Assets and Liabilities Measured at Fair Value

Item	Fair Value at End of Period			
	Level 1 Fair Value Fair Value Measurement	Level 2 Fair Measurement	Level 3 Fair Value Measurement	Total
Continuous Fair Value Measurement				
1. Derivative Financial Assets	1,024,997.40			1,024,997.40
2. Receivables Financing			180,093,826.67	180,093,826.67
3. Other Non-Current Financial Assets			17,460,928.48	17,460,928.48
Total assets measured at fair value	1,024,997.40		197,554,755.15	198,579,752.55

Item	Fair Value at End of Period			
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
1. Derivative Financial Liabilities	4,974,494.13			4,974,494.13
Total liabilities measured at fair value	4,974,494.13			4,974,494.13

(2) Basis for determining market prices of continuing and discontinued Level 1 fair value measurement items

For derivative financial assets/liabilities, the difference between the forward foreign exchange rates quoted by the contracted bank on the last business day of each month and the exchange rates locked in by the Company's forward transactions is used as the relevant market price basis.

(3) Qualitative and quantitative information on valuation techniques and significant parameters used for continuous and non-continuous Level 3 fair value measurement items For the fund company's long-term investments, due to the stable condition of the investee enterprises and the absence of significant changes in their operating environment, operating conditions, and financial status

Therefore, the Company measures them at a reasonable estimate of fair value based on its share of net assets.

The third-level fair value-measured receivables financing held by the Company consists of bank-accepted bills receivable. Given their low credit risk and short remaining terms, the Company determines their fair value based on their face value.

XI. Related Parties and Related Party Transactions

(1) Related Party Information

1. Information on the Parent Company of Our Company

(1) Parent Company of the Company

Parent Company Name	Registered Location	Nature of Business	Registered Capital (RMB 10,000)	Parent Company's Shareholding Ratio in the Company (%)	Parent Company's Voting Rights Ratio in Subsidiary (%)
Sichuan Changhong Electronics Holding Group Co., Ltd.	Sichuan Mianyang	Manufacturing and Sales	300,000.00	60.2831	60.2831

(2) The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of Mianyang Municipal People's Government, which holds 90.00% of the equity in Changhong Group and is the ultimate controller of the Company.

2. Details regarding the Company's subsidiaries are provided in Note VII to these financial statements.

3. Joint Ventures and Associates of the Company

(1) Joint Ventures and Associates of the Company

Details of the Company's significant joint ventures or associates are provided in Note VII to these financial statements.

4. Other Related Parties of the Company

(1) Other Related Parties of the Company

Name of Other Related Party	Relationship with the Company
Sichuan Changhong Group Finance Co., Ltd.	Same ultimate controlling party

Sichuan Jiahong Industrial Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Electronic Components Co., Ltd.	Same ultimate controlling party
Sichuan Zhiyijia Network Technology Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Air Conditioning Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Jijia Precision Machinery Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Minsheng Logistics Co., Ltd.	Same ultimate controlling party
Sichuan Changhong International Travel Service Co., Ltd.	Same ultimate controlling party
Chengdu Changhong Minsheng Logistics Co., Ltd.	Same ultimate controlling party
Sichuan Changhong International Hotel Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Network Technology Co., Ltd.	Same ultimate controlling party
Guangdong Changhong Electronics Co., Ltd.	Same ultimate controlling party
Sichuan Hongwei Technology Co., Ltd.	Same ultimate controlling party
Sichuan Kuaiyidian Electrical Appliance Service Chain Co., Ltd.	Same ultimate controlling party
Changhong Granbo Technology Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Electric Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Runtian Energy Technology Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Mould & Plastic Technology Co., Ltd.	Same ultimate controlling party
Yuanxin Financial Leasing Co., Ltd.	Same ultimate controlling party
Sichuan Hongxin Software Co., Ltd.	Same ultimate controlling party
Sichuan Honglin Packaging Technology Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Education Technology Co., Ltd.	Same ultimate controlling party
Sichuan Gerun Zhongtian Environmental Protection Technology Co., Ltd.	Same ultimate controlling party
Sichuan Qirui Ke Technology Co., Ltd.	Same ultimate controlling party
Sichuan Hongmofang Network Technology Co., Ltd.	Same ultimate controlling party
Chengdu Changhong Financial Leasing Co., Ltd.	Same ultimate controlling party
Sichuan Changhong Power Supply Co., Ltd.	Same ultimate controlling party
Jiangxi Gerun New Materials Co., Ltd.	Same ultimate controlling party
Zhongshan Changhong Electric Co., Ltd.	Same ultimate controlling party
Sichuan Changhong New Network Technology Co., Ltd.	Same ultimate controlling party

Sichuan Nengchuang Zhidian Technology Co., Ltd.	Same ultimate controlling party
Sichuan Aichuang Technology Co., Ltd.	Same ultimate controlling party
Sichuan Honghai Logistics Co., Ltd.	Same ultimate controlling party
Jiangsu Gerun New Materials Co., Ltd.	The same ultimate controlling party
Sichuan Changhong Intelligent Air Conditioning Technology Co., Ltd.	Same ultimate controlling party
Sichuan Ansi Fei Technology Co., Ltd.	Same ultimate controlling party
Mianyang High-Tech Zone Hongfu Technology Co., Ltd.	Same ultimate controlling party
Shenzhen Santenico Precision Mould Co., Ltd.	Parent Company of Company Joint Ventures
Sichuan Taihong Technology Co., Ltd.	Subsidiary of the Company's Joint Venture
Fujian Nanping Taihong Technology Co., Ltd.	Subsidiary of the Company's Joint Venture
Hangzhou Nengpai Battery Co., Ltd.	Important Subsidiary Company Controlled by Minority Shareholders
Shenzhen Feishi Battery Co., Ltd.	Important Subsidiary Controlled by Minority Shareholders
Wuxi Kaiyue Power Accessories Co., Ltd.	Company Controlled by Minority Shareholders of a Significant Subsidiary

(II) Related Party Transactions

1. Related-party transactions involving the purchase and sale of goods, provision and receipt of services (amounts exclude VAT)

(1) Details

1) Related-party transactions involving the purchase of goods and receipt of services

Related Party	Related Party Transaction Details Details	Current Period Amount	Previous Year's Period Amount
Sichuan Taihong Technology Co., Ltd.	Purchase of Goods	116,143,554.93	92,545,449.84
Wuxi Kaiyue Power Supply Accessories Co., Ltd.	Purchased Goods	74,852,872.21	42,270,266.26
Sichuan Changhong Electric Co., Ltd.	Purchased Goods	36,396,908.92	27,114,008.47
Sichuan Honglin Packaging Technology Co., Ltd.	Purchased Goods	13,523,981.78	9,292,408.49
Sichuan Jiahong Industrial Co., Ltd.	Purchased Goods	6,746,657.52	6,197,200.66
Sichuan Qirui Ke Technology Co., Ltd.	Purchased Goods	2,070,283.77	444,770.76
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Purchased Goods	2,566,371.68	407,547.17
Sichuan Changhong Air Conditioning Co., Ltd.	Purchased Goods	1,648,079.54	3,095,494.16
Sichuan Changhong Education Technology Co., Ltd.	Purchased Goods	59,070.79	
Sichuan Zhiyijia Network Technology Co., Ltd.	Procurement of Goods	31,783.35	4,284.93
Sichuan Hongxin Software Co., Ltd.	Purchased Goods	37,735.84	2,135,314.16
Shenzhen Feishi Battery Co., Ltd.	Purchased Goods	6,424.73	

Sichuan Changhong Mould & Plastic Technology Co., Ltd.	Purchased Goods		16,786.21
Fujian Nanping Taihong Technology Co., Ltd.	Purchase of Goods		3,356,077.80
Shenzhen Santainico Precision Mould Co., Ltd.	Purchased Goods		327,986.00
Sichuan Changhong Power Supply Co., Ltd.	Services Received	2,016,487.27	933,364.93
Sichuan Changhong Electronics Holding Group Co., Ltd.	Received Services	1,706,121.02	790,941.46
Sichuan Hongxin Software Co., Ltd.	Services Received	782,075.47	571,660.37
Sichuan Qirui Ke Technology Co., Ltd.	Services Received	747,911.46	2,782,862.92
Mianyang High-Tech Zone Hongfu Technology Co., Ltd.	Services Received	476,320.75	
Sichuan Gerun Zhongtian Environmental Protection Technology Co., Ltd.	Received Services	265,219.08	169,690.58
Sichuan Honghai Logistics Co., Ltd.	Services Received	201,271.86	
Sichuan Changhong Electric Co., Ltd.	Received Services	195,392.45	142,254.62
Chengdu Changhong Minsheng Logistics Co., Ltd.	Received Services	180,328.11	201,850.94
Sichuan Changhong International Hotel Co., Ltd.	Services Received	125,286.14	196,299.86
Sichuan Changhong Minsheng Logistics Co., Ltd.	Services Received	95,671.83	363,298.62
Sichuan Changhong International Travel Service Co., Ltd.	Services Received	60,781.26	223,619.72
Sichuan Changhong Air Conditioning Co., Ltd.	Services Received	84,464.91	299,437.03
Sichuan Hongwei Technology Co., Ltd.	Services Received		55,566.04
Sichuan Changhong Network Technology Co., Ltd.	Received Services		35,793.20
Sichuan Kuaiyidian Electrical Appliance Service Chain Co., Ltd.	Received Services	6,955.34	15,752.78
Subtotal		261,028,012.01	193,989,987.98

2) Related-party transactions for sale of goods and provision of services

Related Parties	Related Party Transaction Details	Current Period Amount	Previous Year
Hangzhou Nengpai Battery Co., Ltd.	Sales of Goods	523,645,586.29	421,269,991.02
Shenzhen Feishi Battery Co., Ltd.	Sales of Goods	104,000,166.92	91,405,723.31
Jiangxi Gerun New Materials Co., Ltd.	Sales of Goods	5,854,238.59	
Sichuan Changhong Runtian Energy Technology Co., Ltd.	Sales of Goods	6,808,862.66	936,779.94
Jiangsu Gerun New Materials Co., Ltd.	Sales of Goods	6,008,591.02	
Guangdong Changhong Electronics Co., Ltd.	Sales of Goods	4,061,134.60	3,550,617.10
Sichuan Changhong Network Technology Co., Ltd.	Sales of Goods	1,356,919.26	817,953.56
Sichuan Changhong New Network Technology Co., Ltd.	Sales of Goods	1,118,720.00	396,872.00

Sichuan Changhong Jijia Precision Machinery Co., Ltd.	Sales of Goods	1,039,223.60	1,493,540.86
Zhongshan Changhong Electric Co., Ltd.	Sales of Goods	657,804.00	228,616.00
Wuxi Kaiyue Power Supply Accessories Co., Ltd.	Sales of Goods	646,876.37	13,274.34
Sichuan Taihong Technology Co., Ltd.	Sales of Goods	339,852.80	421,139.03
Sichuan Changhong Air Conditioning Co., Ltd.	Sales of Goods	98,952.00	48,000.00
Sichuan Changhong International Hotel Co., Ltd.	Sales of Goods	73,191.15	42,589.38
Sichuan Changhong Electric Co., Ltd.	Sales of Goods	64,823.01	426,246.87
Changhong Grambo Technology Co., Ltd.	Sales of Goods		860,664.19
Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	Sales of Goods	18,224.87	
Sichuan Changhong Intelligent Air Conditioning Technology Co., Ltd.	Sales of Goods	12,000.00	
Yuanxin Financial Leasing Co., Ltd.	Sale of Goods	7,550.09	12,021.25
Sichuan Ansi Fei Technology Co., Ltd.	Sales of Goods		34,464.42
Sichuan Changhong Electronic Components Co., Ltd.	Sales of Goods		33,106.11
Chengdu Changhong Financial Leasing Co., Ltd.	Sales of Goods		2,415.42
Sichuan Kuaiyidian Electrical Appliance Service Chain Co., Ltd.	Sale of Goods		2,376.99
Sichuan Nengchuangzhidian Technology Co., Ltd.	Sales of Goods		1,982.30
Sichuan Changhong Electronics Holding Group Co., Ltd.	Sales of Goods		1,950.80
Sichuan Aichuang Technology Co., Ltd.	Sales of Goods		1,747.33
Sichuan Hongwei Technology Co., Ltd.	Sales of Goods		1,222.64
Sichuan Hongmofang Network Technology Co., Ltd.	Sales of Goods		474.34
Small Total		655,812,717.23	522,003,769.20

2. Related-party leasing arrangements

Company leasing arrangements

Lessor Name	Type of Leased Asset	Current Period Amount			
		Rental expenses for simplified short-term leases and low-value asset leases, and variable lease payments not recognized as lease liabilities Amount	Lease payments for recognizing right-of-use assets		
			Rent paid (excluding variable lease payments not recognized as lease liabilities)	Increase in principal amount of lease liability	Recognized interest expense
Sichuan Changhong Electric Co., Ltd. Co., Ltd.	Factory Buildings		19,585,109.83		1,431,986.16
Chengdu Changhong Financial Leasing Leasing Co., Ltd.	Production Equipment		578,800.00		1,142,311.09

(Continued from previous table)

Lessor Name	Type of Leased Asset	Previous Year's Corresponding Period Amount			
		Rental expenses for simplified short-term leases and low-value asset leases, and variable lease payments not recognized as lease liabilities Amount	Lease payments for recognized right-of-use assets		
			Rent paid (excluding variable lease payments not recognized as lease liabilities)	Increase in principal amount of lease liability	Recognized interest expense
Sichuan Changhong Electric Co., Ltd. Co., Ltd.	Factory Buildings		19,585,109.83		2,161,155.59
Chengdu Changhong Financial Leasing Leasing Co., Ltd.	Production Equipment		1,372,709.45		1,232,034.39

3. Related Guarantee Details

The Company and its subsidiaries as the guaranteed party

Guarantor	Guarantee Amount	Outstanding Guarantee Balance	Guarantee Commencement Date	Guarantee Maturity Date	Has the guarantee been fulfilled? Completed
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	120,000,000.00	120,000,000.00	April 8, 2024	April 8, 2027	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	78,000,000.00	78,000,000.00	June 26, 2024	June 26, 2027	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	50,000,000.00	9,000,000.00	February 26, 2024	February 24, 2025	No
Sichuan Changhong Electronics Holding Group Co., Ltd.	70,000,000.00	21,000,000.00	November 13, 2024	November 11, 2025	No
		6,000,295.66	2024/7/24	2025/7/22	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	34,000,000.00		November 9, 2022	November 5, 2027	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	14,130,000.00		November 9, 2022	November 5, 2027	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	60,000,000.00	20,000,000.00	2024/1/22	January 22, 2025	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	200,000,000.00	53,165,708.60	February 22, 2023	February 19, 2026	No
Sichuan Changhong Electronics Holding Group Co., Ltd.	100,000,000.00	23,000,000.00	September 26, 2023	March 24, 2025	No
		9,000,000.00	August 3, 2023	2025/1/30	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	499,680,000.00	329,640,744.64	September 18, 2021	September 17, 2029	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	34,500,000.00	34,500,000.00	May 17, 2024	May 16, 2025	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	31,500,000.00	31,500,000.00	May 24, 2024	May 23, 2025	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	66,000,000.00		September 6, 2023	September 6, 2026	No
Sichuan Changhong Electronics Holding Group Co., Ltd.	193,043,800.00	24,132,178.38	2022/1/10	January 10, 2027	No

Group Co., Ltd.					
Sichuan Changhong Electronics Holding Group Co., Ltd.	55,000,000.00	24,354,784.32	July 2, 2024	January 2, 2025	No
		9,000,000.00	2024/7/9	2025/1/9	No
Sichuan Changhong Electronics Holding Group Co., Ltd.	66,000,000.00	26,546,597.98	October 11, 2024	April 11, 2025	No
		8,407,373.21	2024/10/17	April 17, 2025	No

Guarantor	Guarantee Amount	Outstanding Guarantee Balance	Guarantee Commencement Date	Guarantee Expiration Date	Has the guarantee been fulfilled? Completed
		20,818,701.65	October 31, 2024	April 30, 2025	No
		1,800,000.00	November 5, 2024	May 5, 2025	No
Sichuan Changhong Electronics Holding Group Co., Ltd. Group Co., Ltd.	60,000,000.00	36,000,000.00	2024/12/31	June 30, 2025	No

4. Key Management Personnel Compensation

Item Item	Current Period	Previous Year's Period Amount
Key Management Personnel Compensation	10,547,144.60	11,554,783.27

5. Transactions with Changhong Group Finance Company

(1) Deposit Business

Beginning Balance	Increase for the Period	Current Period Decrease	Year-End Balance	Interest Income
296,344,864.16	3,129,587,547.56	3,115,092,718.50	310,839,693.22	4,262,601.83

(2) Borrowings

Beginning Balance	Increase for the Period	Current Period Decrease	Year-End Balance	Interest Expense
248,000,000.00	376,000,000.00	248,000,000.00	376,000,000.00	12,945,243.79

(3) Acceptance and Discounting of Notes Receivable

Discounted Accepted Bills Face Value	Discounted amount of accepted bills	Discount Expense Amount	Unrecognized discount expenses
71,000,000.00	69,724,402.78	1,275,597.22	

(4) Issued Notes

Beginning Balance	Increase for the Period	Current Period Decrease	Year-End Balance	Bill Type
156,682,448.44	389,863,671.61	404,896,974.71	141,649,145.34	Commercial Drafts

Note: The balance payable to related parties within the scope of consolidation at the end of the period was RMB 15,000,000.00, and the balance payable to other entities was

RMB 126,649,145.34

6. Other Related Party Transactions

Name of Related Party	Related Party Transaction Details	Current Period Amount	Previous Year's Amount
Yuanxin Financial Leasing Co., Ltd.	Financing Business	102,911,932.72	13,076,499.88

(3) Related Party Receivables and Payables

1. Receivables from Related Parties

Item Name	Related Party	Ending Balance		Beginning Balance	
		Book Balance	Allowance for Doubtful Accounts	Book Balance	Allowance for Doubtful Accounts

Accounts Receivable					
	Hangzhou Nengpai Battery Co., Ltd.	68,509,144.56	685,091.45	58,928,732.06	589,287.32
	Shenzhen Feishi Battery Co., Ltd.	12,415,276.01	124,152.76	9,166,387.46	91,663.87
	Sichuan Changhong Network Technology Co., Ltd.	857,651.07		229,500.29	
	Guangdong Changhong Electronics Co., Ltd.	626,364.67		1,175,995.40	
	Sichuan Changhong Jijia Precision Machinery Co., Ltd.	471,920.55		554,776.32	
	Sichuan Changhong Xinwang Technology Co., Ltd.	314,488.04		380,665.36	
	Wuxi Kaiyue Power Supply Accessories Co., Ltd.	222,748.60	2,227.49		
	Zhongshan Changhong Electric Co., Ltd.	205,438.52		258,336.08	
	Sichuan Changhong Runtian Energy Technology Co., Ltd.	183,856.13			
	Sichuan Changhong Electric Co., Ltd.	44,137.80		49,674.80	
	Sichuan Changhong International Hotel Co., Ltd.	41,028.00			
	Sichuan Changhong Air Conditioning Co., Ltd.	33,655.92		27,120.00	
	Sichuan Changhong Intelligent Air Conditioning Technology Co., Ltd.	13,560.00			
	Changhong Granbo Technology Co., Ltd.			101,925.80	
	Sichuan Nengchuang Zhidian Technology Co., Ltd.			2,240.00	
Subtotal		83,939,269.87	811,471.70	70,875,353.57	680,951.19

2. Payables to Related Parties

Project Name	Related Party	Ending Balance	Beginning Balance
Accounts Payable			
	Wuxi Kaiyue Power Supply Accessories Co., Ltd.	36,989,439.75	30,681,621.70
	Sichuan Taihong Technology Co., Ltd.	29,480,198.92	15,271,873.70
	Sichuan Honglin Packaging Technology Co., Ltd.	4,389,489.28	3,609,767.71
	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	7,484,823.01	2,566,371.68
	Sichuan Changhong Electronics Holding Group Co., Ltd.	798,847.84	
	Sichuan Qirui Ke Technology Co., Ltd.	695,744.06	635,339.62
	Sichuan Hongxin Software Co., Ltd.	274,528.30	898,113.21
	Sichuan Changhong Air Conditioning Co., Ltd.	218,444.25	171,000.00
	Sichuan Changhong International Travel Service Co., Ltd.	6,782.00	7,454.00
	Sichuan Changhong Electric Co., Ltd.		2,244,681.96

	Fujian Nanping Taihong Technology Co., Ltd.		550,790.93
	Sichuan Jiahong Industrial Co., Ltd.	220,230.00	206,690.00
	Sichuan Changhong Mold & Plastic Technology Co., Ltd.		2,453.10
Subtotal		80,558,527.41	56,846,157.61
Contract Liabilities			
	Hangzhou Nengpai Battery Co., Ltd.	851,104.18	533,164.03
	Jiangsu Gerun New Materials Co., Ltd.	133,560.65	
	Changhong Granbo Technology Co., Ltd.		9,951.26
Subtotal		984,664.83	543,115.29
Other Payables			
	Sichuan Changhong Intelligent Manufacturing Technology Co., Ltd.	250,000.00	529,997.95
	Sichuan Taihong Technology Co., Ltd.	18,662.42	35,370.31
	Sichuan Changhong Power Supply Co., Ltd.		933,364.93
	Jiangxi Gerun New Materials Co., Ltd.		300,000.00
	Chengdu Changhong Minsheng Logistics Co., Ltd.		34,179.34
	Sichuan Changhong Minsheng Logistics Co., Ltd.		31,920.66
	Sichuan Honglin Packaging Technology Co., Ltd.		6,720.00
Subtotal		268,662.42	1,871,553.19

XII. Commitments and Contingent Liabilities

(1) Significant Commitments

As of the balance sheet date, the Company has no material commitments requiring disclosure.

(b) Contingent Liabilities

As of the balance sheet date, the Company had no other material contingent matters requiring disclosure.

XIII. Events After the Balance Sheet Date

Profit Distribution After the Balance Sheet Date

On April 17, 2025, the Company's Third Board of Directors at its 38th meeting reviewed and approved the "2024 Annual Equity Distribution Proposal":

The Company's current total share capital is 130,053,003 shares. A cash dividend of RMB 5 per 10 shares (tax inclusive)will be distributed to all shareholders from retained earnings.

capital reserve to all shareholders at a ratio of 4 shares for every 10 shares held (of which 4 shares per 10 shares are transferred from the capital reserve formed by share issuance premium, which is not subject to taxation

taxation; and 0 shares per 10 shares from other capital reserves, subject to taxation) The total cash dividend distribution is estimated at RMB 65,026,501.50

and the issuance of 52,021,201 shares.

As of the date of approval of these financial statements, the Company has no other subsequent events requiring disclosure.

XIV. Other Significant Matters

(1) Segment Information

1. Factors Considered in Determining Reporting Segments

The Company determines reporting segments based on its internal organizational structure, management requirements, and internal reporting systems, with business segments as the foundation. Operating performance is evaluated separately for zinc-manganese battery operations, lithium-ion battery operations, and small polymer lithium-ion batteries.

2. Financial Information by Reportable Segment

Details of business segments are provided in Note V(2)1 to these financial statements.

XV. Notes to Major Items in the Parent Company Financial Statements

(1) Notes to Parent Company Balance Sheet Items

1. Accounts Receivable

(1) Accounts Receivable Aging

Account Age	Ending Balance	Opening Balance
Within 3 months (including 3 months)	275,995,500.63	215,368,179.04
Over 3 months but within 6 months (including 6 months)	16,991,767.70	22,877,513.85
Over 6 months to 1 year (including 1 year)	1,094,294.45	929,261.26
Over 1 year to 2 years (including 2 years)		601,621.35
Total Book Value	294,081,562.78	239,776,575.50
Less: Allowance for Doubtful Accounts	12,301,121.50	4,837,873.61
Total Carrying Value	281,780,441.28	234,938,701.89

(2) Bad Debt Provision Details

1) Category Breakdown

Category	Ending Balance				
	Book Balance		Bad Debt Allowance		Book Value
	Amount	Ratio (%)	Amount	Provision Ratio (%)	
Individual Bad Debt Provision	10,393,815.99	3.53	7,785,571.42	74.91	2,608,244.57
Provision for Bad Debts by Portfolio	283,687,746.79	96.47	4,515,550.08	1.59	279,172,196.71
Total	294,081,562.78	100.00	12,301,121.50	4.18	281,780,441.28

(Continued from previous table)

Category	Opening Balance				
	Book Balance		Bad Debt Allowance		Book Value
	Amount	Ratio (%)	Amount	Provision Ratio (%)	
Individual Bad Debt Provision	2,676,068.25	1.12			2,676,068.25
Collective Allowance for Doubtful Accounts	237,100,507.25	98.88	4,837,873.61	2.04	232,262,633.64
Total	239,776,575.50	100.00	4,837,873.61	2.02	234,938,701.89

2) Accounts receivable for which bad debt provisions are calculated using the aging portfolio method

Account Age	Ending Balance		
	Book Balance	Allowance for Doubtful Accounts	Allowance Ratio (%)
Within 3 months (including 3 months) months)	266,251,711.60	2,662,517.12	1.00
Over 3 months but within 6 months (including 6 months)	16,341,740.74	1,634,174.07	10.00
Over 6 months but within 1 year (including 1 year)	1,094,294.45	218,858.89	20.00
Small Total	283,687,746.79	4,515,550.08	1.59

(3) Changes in Allowance for Doubtful Accounts

Item Item	Beginning Balance	Current Period Change Amount				Ending Balance
		Accrued	Recovered or Reversal	Write-off	Other	
Individual provision for bad debts Account provision		7,785,571.42				7,785,571.42
Collectively-assessed Provision for bad debts	4,837,873.61	-322,323.53				4,515,550.08
Combined Total	4,837,873.61	7,463,247.89				12,301,121.50

(4) Top 5 Accounts Receivable

The aggregate amount of the top five accounts receivable balances at the end of the period was RMB 161,287,160.59, accounting for 54.84% of the total accounts receivable balance at the end of the period.

54.84%. The corresponding allowance for doubtful accounts and impairment allowance for contract assets totaled RMB 2,833,524.05.

2. Other Receivables

(1) Classification by Nature of Receivables

Nature of Funds	Balance at End of Period	Beginning Balance
Related Party Receivables	431,391,197.55	315,360,754.43
Employee advance loans	298,815.72	238,908.72
Security Deposits	333,500.00	333,500.00
Other	386,197.38	354,726.59

Nature of Funds	Ending Balance	Beginning Balance
Related Party Balances	431,391,197.55	315,360,754.43
Total Book Balance	432,409,710.65	316,287,889.74
Less: Allowance for Doubtful Accounts		
Total Carrying Value	432,409,710.65	316,287,889.74

(2) Account Aging

Account Age	Ending Balance	Opening Balance
Within 3 months	101,639,202.13	885,837.76
3-6 months	18,020,000.00	30,000.98
6 months–1 year	180,000,000.00	9,821,500.00
1–2 years	31,583.08	180,210,083.08
2-3 years	132,411,925.44	125,058,467.92
Over 3 years	307,000.00	282,000.00
Total Book Balance	432,409,710.65	316,287,889.74
Less: Allowance for Doubtful Accounts		
Total Carrying Value	432,409,710.65	316,287,889.74

(3) Details of Allowance for Doubtful Accounts

1) Category Breakdown

Category	Ending Balance				
	Book Balance		Bad Debt Allowance		Book Value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Individual Bad Debt Provision	432,409,710.65	100.00			432,409,710.65
Collective Allowance for Doubtful Accounts					
Total	432,409,710.65	100.00			432,409,710.65

(Continued from previous table)

Category	Opening Balance				
	Book Balance		Allowance for Doubtful Accounts		Book Value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Individual Bad Debt Provision	316,287,889.74	100.00			316,287,889.74
Collective Allowance for Doubtful Accounts					
Total	316,287,889.74	100.00			316,287,889.74

(4) Top 5 Other Receivables Amounts

Company Name	Nature of Amount	Balance at End of Period	Accounts Receivable Aging	Percentage of Other Receivables Balance of Total Other Receivables (%)	Bad Debt Provision at End of Period Provision for Doubtful Accounts
Changhong Sanjie New Energy Co., Ltd.	Related Party Transactions	431,391,197.55	Within 3 months, 3-6 months, 6 months to 1 year, 2-3 years	99.76	
Zhang Tingyu	Contingency funds and guarantees	374,778.56	Within 3 months, 3-6 months, 1-2 years, over 3 years	0.09	
Employee Social Security	Other	365,014.14	Within 3 months	0.08	
Cheng Suiwei	Contingency funds and deposits	85,619.23	Within 3 months, 1-2 years	0.02	
Liang Yuan	Contingency Fund	78,000.00	Within 3 months	0.02	
Subtotal		432,294,609.48		99.97	

3. Long-term equity investments

(1) Classification

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserve	Book Value	Book Balance	Impairment reserve	Carrying Amount
Subsidiaries Investment	771,798,985.38	349,640,200.00	422,158,785.38	627,880,800.00	349,640,200.00	278,240,600.00
Investments in Joint Ventures Investment in Joint Ventures	35,904,714.56		35,904,714.56	33,716,520.34		33,716,520.34
Total	807,703,699.94	349,640,200.00	458,063,499.94	661,597,320.34	349,640,200.00	311,957,120.34

(2) Investment in Subsidiaries

Investee	Opening Balance		Increases and decreases during the period				Closing Balance	
	Book Value	Impairment Reserve	Additional Investment	Decrease in Investment	Impairment Provision Provision	Other	Book value	Impairment Reserve
Zhejiang Changhong Feishi Electrical Appliance Industry Co., Ltd. Company	84,464,000.00		105,255,000.00				189,719,000.00	
Changhong Sanjie New Energy Co., Ltd. Co., Ltd.	95,059,800.00	349,640,200.00					95,059,800.00	349,640,200.00
Shenzhen Changhong Juheyuan Technology Co., Ltd. Co., Ltd.	98,716,800.00		38,663,185.38				137,379,985.38	
Subtotal	278,240,600.00	349,640,200.00	143,918,185.38				422,158,785.38	349,640,200.00

(3) Investments in Associates and Joint Ventures

Investee	Beginning Balance		Increase/decrease for the period					
	Book Value	Impairment Reserve	Additional Investment	Decrease in Investment	Recognized under the equity method Investment gains or losses	Other comprehensive Income		

						Adjustment
Associates						

Investee	Opening Balance		Increases/Decreases for the Period			
	Carrying Amount	Impairment Reserve	Additional Investment	Decrease in Investment	Recognized under the equity method Investment gains and losses	Other Comprehensive Income Adjustment
Sichuan Sanglide Precision Components Manufacturing Co., Ltd.	33,716,520.34				2,713,194.22	
Subtotal	33,716,520.34				2,713,194.22	
Total	33,716,520.34				2,713,194.22	

(Continued from previous table)

Investee	Increase/Decrease in Current Period				Ending Balance	
	Other Equity Changes	Cash Dividends Declared or Profit	Impairment Provision Provision	Other	Book value	Impairment reserve
Associated Companies						
Sichuan Sanglide Precision Parts Manufacturing Co., Ltd.		525,000.00			35,904,714.56	
Subtotal		525,000.00			35,904,714.56	
Grand Total		525,000.00			35,904,714.56	

(II) Notes to Parent Company Income Statement Items

1. Operating Revenue/Cost of Sales

(1) Details

Item Item	Current Period Amount		Previous Year's Period Amount	
	Revenue	Cost	Revenue	Cost
Main Business Revenue	1,509,192,649.49	1,249,280,382.90	1,224,029,950.72	986,604,484.44
Other Operating Income	1,899,345.34	246,515.37	4,123,854.17	1,050,213.67
Total Total	1,511,091,994.83	1,249,526,898.27	1,228,153,804.89	987,654,698.11
Of which: Revenue generated from contracts with customers	1,511,091,994.83	1,249,526,898.27	1,228,153,804.89	987,654,698.11

(2) Revenue Breakdown Information

contracts with customers

1) Revenue arising from contracts with customers is broken down by type of goods or services

Item	Current Period Amount		Previous Year	
	Revenue	Cost	Revenue	Cost
Alkaline Zinc-Manganese Batteries	1,475,217,914.70	1,220,965,396.89	1,191,108,349.16	959,337,882.74
Carbon-zinc manganese batteries	16,785,596.86	13,513,023.94	19,098,028.87	15,380,718.41
Other	19,088,483.27	15,048,477.44	17,947,426.86	12,936,096.96
Total	1,511,091,994.83	1,249,526,898.27	1,228,153,804.89	987,654,698.11

2) Revenue from Contracts with Customers by Operating Region

Item	Current Period		Previous Year	
	Revenue	Cost	Revenue	Cost
Domestic	713,290,413.52	629,683,301.09	583,055,343.53	511,604,361.09
Overseas	797,801,581.31	619,843,597.18	645,098,461.36	476,050,337.02
Total	1,511,091,994.83	1,249,526,898.27	1,228,153,804.89	987,654,698.11

3) Revenue from contracts with customers broken down by timing of goods or services transferred

Item Item	Current Period	Previous Year's Period
Revenue recognized at a point in time	1,511,091,994.83	1,228,153,804.89
Total Total	1,511,091,994.83	1,228,153,804.89

(3) Revenue recognized in the current period included in the opening carrying amount of contract liabilities was RMB 2,643,141.00.

2. Research and Development Expenses

Item Item	Current Period Amount	Previous Year
Research and Development Materials	45,153,268.85	49,086,623.24
Wages and Benefits	14,119,331.99	10,084,797.10
Depreciation and amortization	517,268.70	1,625,726.93
Utilities	774,108.98	735,772.54
Total Total	60,563,978.52	61,532,919.81

3. Investment Income

Item Item	Current Period	Previous Year's Period
Gains on Long-Term Equity Investments Accounted for Using the Cost Method	21,051,000.00	24,489,300.00
Long-term equity investment income accounted for under the equity method	2,713,194.22	1,433,068.38
Gain on disposal of derivative financial assets and liabilities Investment income	1,324,365.05	-872,738.84
Total Total	25,088,559.27	25,049,629.54

XVI. Other Supplementary Information

(1) Non-recurring gains and losses

1. Schedule of Non-Recurring Gains and Losses

(1) Details

Item	Amount	Description
Gain/loss on disposal of non-current assets, including reversal of previously accrued impairment provisions	77,087.77	
Government grants recognized in profit or loss for the period, but closely related to the company's normal business operations, compliant with national policy regulations, enjoyed according to established standards, and having a continuing effect on the company's profit or loss continuous impact on the company's profit or loss	31,712,068.63	
Gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses arising from the disposal of financial assets and financial liabilities, except for effective hedging activities related to the company's normal business operations gains or losses arising from the disposal of financial assets and financial liabilities	-4,314,760.60	
Interest income from funds occupied by non-financial enterprises included in current period profit or loss		
Gains or losses from entrusting others to invest or manage assets		
Gains or losses from entrusted loans		
Asset losses incurred due to force majeure events, such as natural disasters		
Reversal of impairment allowance for individually tested receivables	68,935.82	
The cost of an enterprise's investment in a subsidiary, associate, or joint venture is less than the fair value of the identifiable net assets of the investee that the enterprise should have received upon acquisition. The enterprise shall recognize the gain arising from the fair value of the investee's identifiable net assets at the time of acquisition.		
Net profit or loss of a subsidiary arising from a business combination under common control from the beginning of the period to the date of combination		
Gains or losses on non-monetary asset exchanges		
Gains or losses on debt restructuring		
One-time expenses incurred by an enterprise due to the discontinuation of related business activities, such as expenditures for employee relocation Expenditures for employee relocation, etc.		
One-time impact on current period profit or loss due to adjustments in tax, accounting, or other laws and regulations Gains or losses on non-monetary asset exchanges		
One-time recognition of share-based payment expenses due to cancellation or modification of equity incentive plans		
For cash-settled share-based payments, changes in the fair value of employee benefits payable after the vesting date Fair value changes in investment property measured using the fair value model		
Fair value changes on investment property measured using the fair value model Gains or losses arising from		
Gains arising from transactions with grossly unfair transaction prices		
Gains or losses arising from contingent items unrelated to the company's normal business operations		
Fiduciary fees earned from entrusted management		
Other non-operating income and expenses not included in the above categories	1,820,279.63	
Other profit and loss items meeting the definition of non-recurring gains and losses		
Subtotal	29,363,611.25	
Less: Income tax effect (income tax reduction indicated by "–")	4,010,631.71	

Impact on minority interests (after tax)	4,326,133.20	
Net non-recurring gains and losses attributable to owners of the parent company	21,026,846.34	

2. Explanation on the classification of non-recurring items listed in the "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public—Non-recurring Items (Revised in 2023)" as recurring items in accordance with definitions and principles

Item Item	Amount	Reason
Value-Added Tax Additional Deduction	17,931,402.66	Expected to be continuously obtained in the foreseeable future
Refund of withholding agent fees for individual income tax	346,140.81	Expected to be sustained in the foreseeable future
Tax incentives for absorbing key personnel	208,100.00	Sustainable in the foreseeable future

(2) Return on Equity and Earnings Per Share

1. Details

Reporting Period Profit	Weighted Average Return on Equity (%)	Earnings Per Share (RMB/share)	
		Basic earnings per share	Diluted Earnings per Share
Net Profit Attributable to Common Shareholders of the Company	24.45	1.52	1.52
Net profit attributable to ordinary shareholders of the company after excluding non-recurring gains and losses	21.84	1.35	1.35
Net profit attributable to ordinary shareholders of the company			

2. Calculation Process of Weighted Average Return on Equity

Item		Serial No.	Current Period Amount
Net profit attributable to ordinary shareholders of the company		A	197,184,938.26
Non-recurring gains and losses		B	21,026,846.34
Net profit attributable to ordinary shareholders of the company after deducting non-recurring gains and losses		C = A - B	176,158,091.92
Net assets attributable to common shareholders of the company at the beginning of the period		D	708,390,649.36
Additional net assets attributable to common shareholders resulting from new share issuances or debt-to-equity swaps, etc.		E	
Cumulative number of months from the month following the addition of net assets to the end of the reporting period		F	
Decrease in net assets attributable to common shareholders due to share repurchases or cash dividends		G	
Cumulative number of months from the month following the decrease in net assets to the end of the reporting period		H	
Other	Special reserves	I1	-2,455,746.81
	Net Increase/Decrease in Assets Cumulative Months from the Following Month to the End of the Reporting Period	J1	6
	Other Comprehensive Income	I2	1,712,448.40
	Cumulative months from the month following the change to the end of the reporting period	J2	6
	Capital Surplus	I3	744.12
	Cumulative months from the month following the increase/decrease to the end of the reporting period	J3	6
Number of months in the reporting period		K	12
Weighted average net assets		L = D + A/2 + E × F/K - G × H/K ±I×J/K	806,611,841.35
Weighted Average Return on Net Assets		M = A / L	24.45%
Return on Net Assets (Adjusted for Non-Recurring Items)		N=C/L	21.84%

3. Calculation Process for Basic Earnings Per Share and Diluted Earnings Per Share

(1) Calculation Process for Basic Earnings Per Share

Item	Serial Number	Current Period Amount
Net profit attributable to ordinary shareholders of the company	A	197,184,938.26
Non-recurring gains and losses	B	21,026,846.34
Net profit attributable to ordinary shareholders of the company after deducting non-recurring gains and losses	C=A-B	176,158,091.92
Total shares outstanding at beginning of period	D	130,053,003.00
Increase in shares due to capitalization of reserves or stock dividends, etc.	E	
Increase in share count due to issuance of new shares or debt-to-equity swaps	F	
Cumulative number of months from the month following the share increase to the end of the reporting period	G	
Number of shares reduced due to repurchases, etc.	H	
Cumulative number of months from the month following the share reduction to the end of the reporting period	I	
Number of shares reduced during the reporting period	J	
Number of months in the reporting period	K	12
Weighted average number of common shares outstanding	L=D+E+F×G/K-H×I/K-J	130,053,003.00
Basic earnings per share	M=A/L	1.52
Basic earnings per share - Calculation Process for Diluted Earnings Per Share	N = C / L	1.35

(2) Calculation Process for Diluted Earnings Per Share

The calculation process for diluted earnings per share is identical to that for basic earnings per share.

Sichuan Changhong New Energy Technology Co., Ltd.

April 17, 2025

Appendix:

Section XII: Directory of Supporting Documents

(1) Financial statements bearing the signatures and seals of the company's responsible officer, the person in charge of accounting work, and the head of the accounting department (accounting supervisor).

(2) Original audit reports bearing the seal of the accounting firm and the signature and seal of the certified public accountant.

(3) Original copies of all company documents publicly disclosed on the designated information disclosure platform during the fiscal year, along with original drafts of announcements. Document Retention Address:

Board of Directors Office, No. 36 Xinping Avenue, Mianyang City.