FOSHAN ELECTRICAL AND LIGHTING CO., LTD.

INTERIM REPORT 2026

August 2026

Part I Important Notes, Table of Contents and Definitions

The Board of Directors (or the "Board") as well as the directors and senior management of Foshan Electrical and Lighting Co., Ltd. (hereinafter referred to as the "Company") hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

Yu Zhongmin, the Company's legal representative, Li Zehua, the Company's person in charge of accounting work, and Li Yizhi, the Company's person in charge of the accounting department (accounting supervisor) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

All the Company's directors have attended the Board meeting for the review of this Report and its summary.

The future plans and other forward-looking statements, as well as the cautionary statements mentioned in this Report shall not be considered as virtual promises of the Company to investors. And investors are kindly reminded to be well aware of possible risks.

The Company has described in detail in this Report the risk of macro-economic fluctuations and intensified market competition, the risk of rising raw material prices, the risk of exchange rate fluctuations, the risk of the recoverability of accounts receivable. Please refer to the section headed "Risks Facing the Company and Countermeasures" in Item X of Part III of this Report.

The Company does not intend to distribute cash dividends, issue bonus shares, or capitalize capital reserves into share capital for the Reporting Period.

This Report has been prepared in Chinese and translated into English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Table of Contents

Documents Available for Reference

1. The financial statements signed and stamped by the Company’s legal representative, person in charge of accounting work, and person in charge of the accounting department.

2. The originals of all the Company’s announcements and documents disclosed to the public during the Reporting Period on the media designated by the CSRC for information disclosure.

Definitions

Term	Definition
The "Company", "listed company", "FSL" or "we"	Foshan Electrical and Lighting Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
Rising Holdings Group	Guangdong Rising Holdings Group Co., Ltd.
Electronics Group	Guangdong Electronics Information Industry Group Ltd.
Hong Kong Rising Investment	Rising Investment Development Limited
Hongkong Wah Shing	Hongkong Wah Shing Holding Company Limited
Rising Capital	Guangdong Rising Capital Investment Co., Ltd. (formerly known as "Guangdong Rising Finance Holding Co., Ltd.")
Shenzhen Rising Investment	Shenzhen Rising Investment Development Co., Ltd.
NationStar Optoelectronics	Foshan NationStar Optoelectronics Co., Ltd.
NationStar Semiconductor	Foshan NationStar Semiconductor Technology Co., Ltd.
Sigma	Foshan Sigma Venture Capital Co., Ltd.
Liaowang Auto Lamp	Nanning Liaowang Auto Lamp Co., Ltd.
Fozhao Huaguang	Fozhao Huaguang (Maoming) Technology Co., Ltd.
Hule Electrical	Zhejiang Hule Electrical Equipment Manufacturing Co., Ltd.
Airtrust	Guangdong Airtrust Aviation Equipment Co., Ltd. (formerly known as "Beijing Airtrust Technology Co., Ltd.")
Fenghua Semiconductor	Guangdong Fenghua Semiconductor Technology Co., Ltd. (formerly known as "Guangdong Yuejing High-tech Co., Ltd.")
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
Meeting of shareholders	Meeting of shareholders of Foshan Electrical and Lighting Co., Ltd.
Board of Directors	The board of directors of Foshan Electrical and Lighting Co., Ltd.
RMB, RMB'0,000, RMB'00,000,000	Expressed in the Chinese currency of Renminbi, expressed in tens of thousands of Renminbi, expressed in hundreds of millions of Renminbi
Reporting Period	The period from January 1, 2026 to June 30, 2026
Same period of last year	The period from January 1, 2025 to June 30, 2025

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	FSL, FSL-B	Stock code	000541/200541
Stock exchange for listing	Shenzhen Stock Exchange		
Company name in Chinese	佛山电器照明股份有限公司		
Abbr.	佛山照明		
Company name in English (if any)	FOSHAN ELECTRICAL AND LIGHTING CO.,LTD		
Abbr. (if any)	FSL		
Legal representative	Yu Zhongmin		

II Contact Information

	Board Secretary	Securities Representative
Name	Huang Zhenhuan	Huang Yufen
Address	No. 8, Zhihui Road, Chancheng District, Foshan City, Guangdong Province, P.R.China	No. 8, Zhihui Road, Chancheng District, Foshan City, Guangdong Province, P.R.China
Tel.	（0757）82810239	（0757）82966028
Fax	（0757）82816276	（0757）82816276
Email address	fsldsh@chinafsl.com	fslhyf@163.com

III Other Information

1. Contact Information of the Company

Indicate whether any change occurred to the registered address, office address and their zip codes, website address, email address and other contact information of the Company in the Reporting Period.

□ Applicable ☑ Not applicable

No change occurred to the said information in the Reporting Period, which can be found in Annual Report 2025.

2. Media for Information Disclosure and Place where this Report Is Lodged

Indicate whether any change occurred to the information disclosure media and the place for lodging the Company’s periodic reports in the Reporting Period.

□ Applicable ☑ Not applicable

The website of the stock exchange, the media and other website where the Company’s periodic reports are disclosed, as well as the place for lodging such reports did not change in the Reporting Period. The said information can be found in Annual Report 2025.

3. Other Information

Indicate whether any change occurred to other information in the Reporting Period.

□ Applicable ☑ Not applicable

IV Key Financial Information

Indicate whether there is any retrospectively restated datum in the table below.

□ Yes ☑ No

	H1 2026	H1 2025	Change (%)
Operating revenue (RMB)	4,095,104,770.43	4,385,731,119.78	-6.63%
Net profit attributable to the listed company's shareholders (RMB)	41,705,640.38	114,993,752.24	-63.73%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	23,254,347.80	106,076,984.29	-78.08%
Net cash generated from/used in operating activities (RMB)	-117,202,900.45	9,845,012.95	-1,290.48%
Basic earnings per share (RMB/share)	0.0272	0.0749	-63.68%
Diluted earnings per share (RMB/share)	0.0272	0.0748	-63.64%
Weighted average return on equity (%)	0.61%	1.71%	-1.10%
	June 30, 2026	December 31, 2025	Change (%)
Total assets (RMB)	16,610,173,293.27	17,167,245,635.67	-3.24%
Equity attributable to the listed company's shareholders (RMB)	6,771,819,185.39	6,834,820,501.84	-0.92%

V Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity under CAS and IFRS

□ Applicable ☑ Not applicable

No difference for the Reporting Period.

2. Net Profit and Equity under CAS and Foreign Accounting Standards

□ Applicable ☑ Not applicable

No difference for the Reporting Period.

VI Exceptional Gains and Losses

☑ Applicable □ Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	2,841,505.89	
Government grants recognized in current profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	20,048,181.03	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	-1,110,934.78	
Capital occupation charges on a non-financial enterprise that are charged to current profit or loss	640,302.04	
Reversed portions of impairment allowances for receivables which are tested individually for impairment	1,000,558.75	
Gain or loss on debt restructuring	2,612,485.05	
Non-operating income and expense other than the above	8,876,356.86	
Less: Income tax effects	5,464,207.93	
Non-controlling interests effects (net of tax)	10,992,954.33	
Total	18,451,292.58	

Details of other items that meet the definition of exceptional gain/loss:

□ Applicable ☑ Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

□ Applicable ☑ Not applicable

No such cases for the Reporting Period.

Part III Management Discussion and Analysis

I Principal Operations of the Company in the Reporting Period

1. Principal operations

The Company has been committed to the R&D, production and sale of high-quality and energy-efficient lighting products in order to provide integrated lighting solutions for customers. It is the controlling shareholder of Liaowang Auto Lamp, NationStar Optoelectronics, Hule Electrical, and Airtrust through acquisition programs starting from 2021. At present, the principal business of the Company mainly includes the R&D, production and sale of general lighting products, automotive lighting products, and LED packaging products.

The general lighting mainly covers LED light sources, LED luminaries, and comprehensive lighting solutions for home lighting, commercial lighting, industrial lighting, municipal road lighting and landscape lighting. Over recent years, the Company has also been exploring new fields, including smart lighting, healthy lighting, marine lighting, sports lighting and aviation lighting.

Based on its own automotive light sources and modules, the Company, relying on its majority-owned subsidiary Liaowang Auto Lamp, has expanded the automotive lighting business into the automotive OEM market, involving basically all the lights that an automobile requires, such as headlights, rear light combos, fog lights, backup lights, interior lights, and license plate lights. The main clients of Liaowang Auto Lamp include SAIC-GM-Wuling Automobile, Chongqing Changan Automobile, SERES, IM, SAIC Maxus Automotive, and other whole-automobile manufacturers, and medium- and high-end products take up an increasing percentage of its total sales of automotive lights.

The Company conducts LED packaging business mainly by relying on its majority-owned subsidiary NationStar Optoelectronics (stock code: 002449). The primary products include LED epitaxial wafers and chips, LED packaging and component products, integrated circuit packaging products, and third generation compound semiconductor packaging products, which are widely used for consumer electronics, home appliances, communications, display and landscape lighting, general lighting, automotive lighting, sterilization and purification, plant lighting, and other fields.

2. Business models

(1) Procurement model

The Company's procurement department should ensure that the procured materials and products meet the prescribed requirements and that procurement activities are under control. Besides, it should consider the needs of each department and the reasonable stock quantity before carrying out any procurement, determine suppliers by means of bidding, price negotiation, and price comparison. There should be several backup suppliers of each principal raw material to ensure fair procurement price, timely material supply, and reliable quality.

(2) Production model

For routine products, the monthly production plan is prepared based on the analysis of the sales of each month and changes in the future market demand and the safe stock benchmark. Each production department produces products as planned so as to control the stock and meet the sales demand. For customized products, the make-to-order strategy is implemented to effectively control the stock quantity of raw materials, reduce the funds that are tied up, and improve the Company's operational efficiency.

(3) Sales model

In the Company's general lighting business, for domestic sales, the Company adopts the model of agency distribution and direct supply to engineering projects, with current sales mainly in household, commerce, and e-commerce channels. For foreign sales, the Company adopts the models of OEM and independent brands. The sale of products of independent brands abroad is carried out mainly via agencies.

In the automotive lighting business, in the factory-installed market, the model of supplying automotive light products directly to OEMs is mainly adopted; in the aftermarket, products are mainly sold by agencies.

In the LED packaging business, the direct sale model is mainly adopted, in which products are sold through direct communication with clients.

3. Industry overview

(1) Lighting

During the Reporting Period, the lighting industry underwent a phase characterized by "overall pressure, structural differentiation and deep adjustment". On the demand side, domestic market demand faced headwinds affected by the macroeconomic environment and the sustained adjustment of the real estate sector. Overseas market demand remained generally stable, with growing demand in emerging markets including the Middle East, Africa and Russia. Nevertheless, dragged by industrial chain relocation and spillover effects, China's total exports of lighting products dropped by approximately 7% year-on-year in the first half of the year. On the cost side, prices of raw materials such as non-ferrous metals, electronic components and plastic parts surged substantially, pushing up manufacturers' production costs markedly. Meanwhile, the rapid appreciation of the RMB further squeezed profit margins for export-oriented enterprises. Dual pressures from home and abroad have accelerated survival-of-the-fittest consolidation within the industry. Small and medium-sized enterprises confronted survival risks amid shrinking orders and elevated costs, while market concentration continued to rise amid industry hardships.

Despite overall industry pressures, multiple specialized market segments maintained a sound development momentum. Benefiting from alignment with the digital, health-oriented and personalized consumption trends, as well as the in-depth integration of artificial intelligence, the Internet of Things, sensing and computing technologies, market segments including smart lighting and healthy lighting achieved steady growth. AI-powered functions such as adaptive dimming, human-centric lighting and intelligent scene matching have driven the upgrading of lighting products from simple passive illumination to active perception and intelligent optimization, greatly improving product added value and user experience. Driven by the dual-carbon goals, energy trusteeship and intelligent renovation projects for roads, tunnels and public buildings have also brought new market growth opportunities. These emerging segments have raised higher requirements for lighting products in terms of light quality, reliability, intelligent control and interdisciplinary integration capabilities.

The logic of industry long-term competition accelerated its shift from homogeneous competition in prices to differentiated competition in technology, ecosystems, and scenario-based solutions. Leading enterprises with advantages in brand, technology, and capital continuously extended their business boundaries by optimizing product structures, actively expanding into high-value-added fields, and continuously broadening application scenarios. Boasting greater operational resilience during industry restructuring, they are driving the industry into a new stage of high-quality development.

(2) Automotive lighting

During the Reporting Period, affected by shifts in policy cycles, cautious consumer sentiment and macroeconomic conditions, China's automobile output and sales volume reached 14.993 million units and 15.017 million units respectively, representing a year-on-year decline of 4.0% and 4.1%. Against this backdrop, driven by technological iteration and upgrading, rising per-vehicle lighting value and continuous optimization of product mix, automotive lighting offset the impact of fluctuations in vehicle output, and the market size of automotive lighting maintained sustained growth.

The automotive lighting industry is accelerating its technological upgrading, with intelligence, integration and scenario-oriented design emerging as core competitive edges. Matrix LED headlamps, adaptive driving beam (ADB) systems, laser headlamps, digital pixel (DPL) lamps, and smart lighting technologies deeply integrated with ADAS systems are gaining rapid adoption. Vehicle lighting is becoming increasingly interconnected with the Internet of Vehicles and human-machine interaction systems. Innovative features such as dynamic welcome lighting and interactive projection lamps are emerging continuously, transforming automotive lamps from traditional functional components into key enablers of vehicle intelligence and brand differentiation. Meanwhile, more than 600 new vehicle models were launched intensively in China in the first half of 2026. This trend has raised higher requirements for supporting automotive lighting manufacturers in terms of rapid R&D response, flexible production and delivery, and large-scale manufacturing capabilities, further forcing technological innovation and capacity upgrading across the industry.

While the automotive lighting market continues to expand, it also faces structural operational headwinds. Price declines at the vehicle retail end have been passed down the supply chain, subjecting automotive lighting products to annual price reduction pressure. Coupled with the adverse impact of rising raw material prices, the overall gross profit margin of the industry is under pressure. Meanwhile, domestic automotive lighting manufacturers have steadily increased their market share by virtue of their fast response, strong cost control capabilities and continuous technological accumulation. Leveraging their cost-performance advantages and technological progress, they have also actively explored overseas markets and participated in global competition, with their internationalization accelerating steadily.

(3) LED packaging

During the Reporting Period, the LED packaging industry forged ahead amid a mix of challenges and opportunities. On the one hand, the industrial competitive landscape is undergoing accelerated restructuring. Buffeted by volatile external demand, rising prices of core raw materials and other factors, the industry has entered a phase of transitional adjustment marked by overall volume consolidation and margin pressure. Market consolidation and integration gather pace. Resources are increasingly concentrated among industry leaders with superior technological, scale and financial strengths, leading to a profound reshaping of the competitive structure. On the other hand, technological innovation continues to fuel application upgrades. The integration of LED technology with frontier technologies such as the Internet of Things, artificial intelligence and big data is deepening steadily, driving advancements toward more customized, scenario-based and user-centric solutions.

High-value-added segments, including automotive LEDs, UV LEDs and infrared sensing, are demonstrating steady growth. Continuous breakthroughs in Mini/Micro-LED technologies have accelerated the popularization of high-end applications including ultra-high-definition displays, automotive displays and virtual production, unlocking new market space. Meanwhile, demand in overseas emerging markets keeps rising. Industry players are actively expanding into overseas markets to foster new growth opportunities.

4. Main driving forces for growth

The Company firmly implements its development strategy of "Upgrading the Fundamental Business into New Forms and Scaling Up New Tracks". It continues to strengthen innovation-driven development, optimize industrial layout, advance marketing model transformation, improve management efficiency, and vigorously explore market opportunities in market segments. The Company has built a collaborative development framework covering three core businesses: general lighting, automotive lighting and LED packaging. Meanwhile, the Company expands into new tracks including marine lighting, sports lighting and aviation lighting. Such diversified business portfolio provides stable support for the Company's operating performance.

As the competitive landscape of the lighting industry evolves, market share is concentrating rapidly among leading enterprises. Consumers are paying growing attention to product quality and brand value, while small and medium-sized enterprises lacking sufficient competitiveness are gradually phased out. Leveraging its long-accumulated advantages in technology, brand, distribution channels and scale, the Company holds a favorable position amid industry consolidation. On the R&D front, the Company keeps increasing R&D investment and deepens collaborative innovation through industry-university-research partnerships. It focuses on technological breakthroughs and product iteration in cutting-edge areas including smart and healthy lighting, aviation lighting, "AI+lighting", ultra-high-definition displays and intelligent optoelectronics. The Company has successively launched innovative products such as a lineup of smart healthy lighting products, AI agents, AI light code products, MiP products and intelligent sensing products. These efforts drive technical upgrading and quality improvement of core products and continuously reinforce its technological moat. On the market front, the Company advances the operation of a multi-brand matrix to meet differentiated demands across diverse markets and customer tiers. It pursues coordinated development of online and offline channels as well as domestic and overseas businesses. While optimizing its domestic channel structure, the Company ramps up efforts to explore overseas markets, especially countries under the Belt and Road Initiative and emerging markets. Adhering to a customer-centric approach, it continuously optimizes its portfolio of products, integrated solutions and service systems to strengthen market adaptability and brand presence. On the operation front, the Company steadily pushes forward production automation and digital transformation. Intelligent manufacturing and digital management systems effectively boost production efficiency and product quality. The Company further implements lean management, conducts refined cost control and optimizes supply chain management, comprehensively driving sustained improvements in operational efficiency and business performance.

II Core Competitiveness Analysis

The Company has been dedicated to the R&D, manufacturing and sale of lighting products since its establishment. Through measures such as continuous investment in R&D and innovation, branding, channel development, as well as integration of the industrial chain, the core competitiveness of the Company has been further strengthened, which is mainly reflected in the following aspects:

R&D technical advantage

The Company has established a multi-dimensional qualification system represented by its status as a National Innovation Company, a National Intellectual Property Demonstration Enterprise, and a Guangdong Manufacturing Champion Demonstration Enterprise in LED bulbs and LED intelligent green luminaries. It has also been listed as one of the Top 100 Innovative Enterprises in Guangdong Province and one of the Top 100 Manufacturing Enterprises in Guangdong Province, underscoring its strong technological innovation capabilities and industry-leading position. The Company's testing center has extended its national CNAS accreditation, obtained the US ENERGY STAR Certification for downlight testing, and been accredited as a TÜV NORD third-party witnessed laboratory for automotive lighting testing. Its testing capabilities cover all dimensions including safety, performance, reliability, and EMC, enabling the issuance of authoritative testing reports with international recognition and mutual acceptance. The Company and its majority-owned subsidiaries have established 36 research and development platforms, including the “Guangdong Provincial Enterprise Technology Center”, “Guangdong Provincial Doctoral Workstation”, “Guangdong Provincial Science and Technology Expert Workstation”, “Postdoctoral Research Station (Branch Station)”, “Guangdong Provincial Engineering Technology Research and Development Center for Electric Light Sources”, and the “Guangdong Provincial Industrial Design Center”, forming a comprehensive innovation system that supports cutting-edge technology research and development as well as the commercialization of research findings. The Company has undertaken a number of national, provincial and ministerial-level scientific and technological projects, including a key sub-program under the National Key R&D Program “Marine Agriculture and Freshwater Fisheries

Technology Innovation" and Hainan Province "Land-Sea-Air" Technology Special Project, achieving continuous breakthroughs in core technologies. Leveraging its outstanding R&D strength and innovation capabilities, the Company has won prestigious scientific and technological awards such as the Second Prize of Science and Technology Progress Award from China National Light Industry Council. It has also pioneered systematic integration of the "circadian lighting" concept into light environment design. The Company actively explores the convergence of AI and lighting technology, with a focus on in-depth research of large AI models. It has successfully developed an AI-enabled full-scenario solution that combines AI-powered intelligent control, scenario-based spectral solutions, and dynamic light-and-shadow effects. By developing three key agents for human-machine interaction, light-and-shadow interaction, and healthy lighting spectra, the Company has laid the technical foundation for the real-world application of AI in the field of smart lighting, with the "Light Xiaoming" AI agent rolled out to form its agent framework. The Company has established a presence in optics, spectroscopy, electronics, IoT, and AI, and has developed systematic technological barriers with independent intellectual property, providing solid support for product innovation and industrial upgrading. As of the end of the Reporting Period, the Company and its majority-owned subsidiaries have been granted 3,096 valid patents and led or participated in formulating 272 standards at international, national, and industry levels. By actively integrating internal and external resources, the Company has collaborated in-depth with renowned universities and research institutes such as Wuhan University, University of Electronic Science and Technology of China, and Wuhan University of Technology in industry-university-research partnerships. This has led to significant technological breakthroughs and technological achievement transformations, spurring innovations in frontier technology fields, establishing efficient R&D talent development channels, and providing firm support for maintaining the Company's technological leadership and ongoing product innovation. Liaowang Auto Lamp boasts a provincial enterprise technology center, a provincial R&D center, a Guangxi automotive lighting parts engineering technology research center, and the Nanning Innovation Consortium, forming a "one institute and three centers" R&D ecosystem. It focuses on tackling cutting-edge technologies such as the serialization of lens modules and interactive signal lights, with R&D strength continuously enhanced. As a National Innovation Company and a provincial-level specialized, refined, distinctive, innovative enterprise, Hule Electrical boasts industry-leading technologies independently developed for marine LED lighting and navigation signal lights. The recently launched HL-8×2M-24D series navigation (signal) light control system has obtained certification from Det Norske Veritas (DNV), a globally recognized certification and risk management organization. This makes Hule Electrical the first DNV-certified navigation light control system supplier in China. NationStar Optoelectronics has created 15 research platforms at or above the provincial level, including the Postdoctoral Research Station, and the National- and local-joint Engineering Laboratory for Semiconductor Lighting Materials and Components. It has undertaken over 30 national research projects, such as the key national R&D programs, in addition to more than 100 provincial and municipal research projects. NationStar Optoelectronics, for its technological leadership in high-precision products, including MIP display devices, intelligent health detectors, optoelectronic coupling devices, and vehicle display devices, has been awarded the title of "Guangdong Provincial Manufacturing Individual Champion (Intelligent Optoelectronic Health Detectors and LED Devices for Ultra-High-Definition Displays)". It has achieved multiple breakthroughs across specialized fields.

Brand advantage

As a China Time-Honored Brand with 68 years of deep cultivation in the lighting industry, the Company has built industry-leading core brand advantages by relying on its profound brand heritage and long-term strategic commitment, forming a key pillar supporting the steady development of the enterprise. Guided by the "Technology-FSL" strategy, the Company has pursued a development path focused on specialization and high-end positioning, achieving an increasingly strong brand presence. By launching the brand IP "Light Xiaoming" and a series of cultural and creative content, as well as renewing its VI system, product packaging and retail stores, the Company has infused its time-honored brand with a vibrant contemporary character, presenting a youthful, technological and fashionable brand image. Leveraging mainstream media, including Xinhua News Agency and Southern Plus, together with new media platforms such as WeChat, Xiaohongshu and Douyin, the Company has rolled out featured columns, including "FSL Homeowner Stories" and "Your Lighting Advisor". Through storytelling and scenario-based communication, it has continuously strengthened brand recognition in both professional and consumer markets, steadily advancing its transformation from an industry brand to a public-facing brand. After years of accumulation, FSL has become one of the most influential and popular industrial brands in China. Its profound brand heritage, extensive market recognition, and strong brand appeal have become the core support and enduring competitiveness for the steady growth of the Company's market performance. Liaowang Auto Lamp strictly abides by the national industry standards when producing automotive lights of the "Liaowang" brand. It has been hailed as a high-quality supplier of related automobile enterprises several times. With over 40 years of expertise in the ship lighting sector, Hule Electrical has established itself as a leading player in China's ship lighting market. Its products are widely applied across various vessels and offshore engineering scenarios, enjoying high recognition within the industry. NationStar Optoelectronics actively participates in various important industry exhibitions and forums, and has earned high recognition both within and outside the industry through its profound professional background and active engagement. As a result, it has received honors such as "Brand Power" and "Top Ten LED Packaging Brands," continually enhancing its professional image, brand awareness, and reputation.

Channel advantage

The Company has been sticking to the market strategy of deeply cultivating and refining channels. Over years of development and experience, the Company has been equipped with three major sales channels in domestic market (household, commerce, and e-commerce channels), forming a marketing network covering the whole country; in foreign market, the Company has made active steps to develop international market business, sold products to more than 120 countries and regions in North America, Europe, Southeast Asia, Africa and Oceania, and kept improving overseas sales channel. By virtue of its powerful and comprehensive sales channels, the Company has enabled its products to enter market rapidly, substantially enhancing its market development abilities and competitiveness. Liaowang Auto Lamp is a major manufacturer in the domestic automotive light industry. It has accumulated stable whole-automobile manufacturing clients and has been developing customers of medium- and high-end and new energy vehicle makers. Its client entities are increasingly diverse. Hule Electrical is one of the major manufacturers in the domestic ship lighting industry, and has established long-term and stable cooperative relationships with large domestic shipbuilding enterprises. NationStar Optoelectronics has an excellent client structure. It maintains long-term and stable partnerships with leading display manufacturers and internationally renowned home appliance enterprises. It has built a diversified high-end customer matrix covering smart home appliances, a full range of consumer electronics, network communications, and industrial control sectors. Also, its products have been showcased in many large events and high-end venues at home and abroad, which are widely recognized by end clients and the market.

Scale advantage

As one of the enterprises to first step into the industry of producing and selling lighting products, the Company forms a capability of mass manufacturing by years of experience accumulation. After years of continuous investment, the Company has greatly improved its production automation level. The large-scale and centralized production brings obvious economic benefits to the Company, which not only shows in manufacture cost of products, but also shows in aspects such as raw material procurement and price negotiation. With manufacturing bases in Nanning, Liuzhou, Chongqing, Qingdao, and Suzhou, Liaowang Auto Lamp has an annual production capacity of more than 5 million sets of automotive lights. Hule Electrical is an important domestic manufacturer of ship lighting fixtures, having been deeply rooted in the industry for many years. It is one of the leading companies in the domestic ship lighting fixture industry. NationStar Optoelectronics began engaging in LED packaging in 1976. It is included in the first batch of enterprises that have produced LED products and the first Chinese enterprise to go public with LED packaging as its principal business. Besides, it is one of the largest LED manufacturers in China.

Advantage of an integrated LED industrial chain

The Company achieved full coverage of the LED industry chain by holding equity in NationStar Optoelectronics, including upstream LED chip manufacturing, midstream LED packaging, and downstream LED application products. Through independent investment and external mergers and acquisitions, the Company has expanded its industrial presence to automotive lighting, marine lighting, sports lighting, aviation lighting and other sectors, forming a vertically integrated industrial chain covering upstream to downstream and a horizontally diversified layout spanning general to professional applications. This has further enhanced the Company's competitiveness and presence in the industry.

III Analysis of Principal Operations

1. Overview

In the first half of 2026, the domestic and global macroeconomic environment remained complex and challenging, while operating pressures across the industry continued to mount. On the one hand, affected by the global macroeconomic environment and the ongoing adjustment of the domestic real estate market, the overall market demand in the lighting industry was under pressure, and market competition became increasingly fierce. On the other hand, the prices of raw materials such as non-ferrous metals, electronic components, and plastic parts rose sharply, directly driving up manufacturing costs. Meanwhile, the appreciation of the RMB further squeezed the profit margins of export business. Facing pressures from both domestic and global factors, the Company remained focused on its core initiatives of "end-to-end lean management and value enhancement", coordinated the implementation of "Lean Improvement 2.0" and "Profitability Assurance" initiatives, while prioritizing key tasks such as market expansion, technological innovation, and lean operations. It overcame challenges, and steadily advanced all undertakings. These measures helped maintain stable revenue, but profit still declined significantly.

The Company's major operating results during the Reporting Period are detailed as follows:

(1) Market expansion driven by focused efforts and diversified deployment to strengthen the foundation and unlock growth potential

First, on the domestic market, focused efforts were made to improve quality and efficiency and drive incremental growth. The Company deepened its presence in offline channels. By refining offline service stations, establishing a multi-dimensional distribution network, expanding into underserved market areas, and carrying out marketing empowerment activities, the Company enhanced terminal sales and market service capabilities. It successfully developed relationships with multiple leading centralized procurement customers and design institutes, and secured multiple million-level commercial projects, achieving growth in revenue from domestic residential and commercial lighting businesses. Meanwhile, the Company expanded its reach across multiple online platforms. Leveraging content marketing, the development of best-selling products and product portfolio optimization, the Company achieved rapid growth in e-commerce revenue. Second, the overseas expansion drive secured existing business and developed new markets. While consolidating its market share in regions where it has established advantages and among key major customers, the Company intensified efforts to explore untapped and emerging overseas markets, achieving positive results. It successfully won bids for multiple overseas engineering projects, further strengthening its diversified overseas market footprint. Revenue from overseas lighting business increased year-on-year. Third, the “Auto Lamp Scaling Initiative” secured new projects and consolidated business scale. The Company adopted new technologies and new products to conduct targeted technical marketing, proactively aligned with demands of vehicle manufacturers, and continuously intensified efforts to develop new projects. It successfully secured 20 new projects for automotive lighting lamps and modules. The customer structure improved steadily, and revenue from the automotive lighting business remained generally stable. Fourth, the packaging device business enhanced value and explored new capabilities. Focusing on the expansion of both products and scenarios, the Company leveraged product iteration and upgrading and core performance breakthroughs to drive diversified scenario applications and new growth engines. Building on in-depth cooperation with leading enterprises in the security, display and home appliance industries, the Company rapidly scaled up high-value products including MiP products, high-definition display panels and intelligent display and control modules. Market expansion for optocoupler products and automotive LED products also accelerated. Fifth, the Company steadily advanced development in new tracks to foster growth momentum. For marine lighting, the Company won bids for microalgae carbon sequestration and cruise ship projects and became the first domestic enterprise to obtain the DNV Certificate for Navigation Light Control Systems. It also secured new customers among multiple shipbuilding companies. In sports lighting, the Company focused resources on pursuing stadium and major sports event projects and secured multiple new projects such as the Maoming Olympic Sports Fitness Center. In elderly-friendly lighting, supported by seven core technologies including fall detection and heart rate monitoring, two of its products were included in the national Catalogue of Promoted Elderly Products, and the Company was shortlisted in the brand supplier pools of several professional elderly care enterprises.

(2) Focused efforts on technological innovation to enhance core competitiveness

First, the commercialization of technological innovation results was enhanced. The Company optimized the allocation of innovation resources, deepened the integrated R&D-production-marketing collaboration mechanism, and aligned product iteration and upgrading with market demands. It developed new products in over 100 specifications, with the average product development cycle shortened year-on-year and R&D efficiency significantly improved. Furthermore, the Company secured 176 new patents and 10 new standards, and led or participated in the development of multiple international and national standards. The project "Key Technologies and Applications for Visual Environment and Circadian Health of Primary and Secondary School Students", jointly developed by the Company, won the Second Prize of Science and Technology Progress Award from China National Light Industry Council. Its independently developed "intelligent and eco-friendly LED lamp" and "intelligent optoelectronic health detector" led to the recognition as a "2025 Guangdong Provincial Manufacturing Individual Champion". Second, technological breakthroughs empowered development. Highlighting areas including aviation, age-friendly, intelligent lighting, ultra-high-definition display, and intelligent optoelectronics, the Company established joint innovation centers with COMAC and GAMECO, and launched a range of innovative products such as the "Light Xiaoming" AI agent, AI age-friendly sensor panel lamps, MiP display devices, and intelligent health sensing devices. Third, testing capabilities were elevated. The Company built a standardized EMC (Electromagnetic Compatibility) laboratory, extended CNAS accreditation, and obtained a number of globally recognized testing certifications such as US ENERGY STAR Certification for downlights and TÜV NORD Certification for automotive lighting. The lab's timeliness reached 99.62%, providing solid technical support for product quality control.

(3) Enhanced lean management to reduce costs, improve efficiency, and ensure profitability

To effectively mitigate the impact of rising raw material prices and RMB appreciation on overall profit margins, the Company focused on lean management of production and exchange rate risks and tapped cost reduction and efficiency improvement potential from multiple dimensions. First, it tightened control over raw material procurement, established a dynamic forecasting mechanism for prices of key raw materials, and formulated procurement and inventory plans in a scientific manner. It cut procurement costs via centralized purchasing, price-locked inventory and other measures to alleviate the adverse impact of higher raw material prices on operations. Second, the Company deepened lean management at the production side, pushed forward product design optimization and upgrades of automated equipment, imposed strict control over process losses and energy consumption, strengthened budget constraints on various expenses, and explored cost-saving opportunities across the whole value chain. Third, it intensified refined management of exchange rate risks, closely monitored exchange rate movements, and flexibly adopted hedging, foreign currency deposits and other risk-mitigation instruments to offset the effects of exchange rate fluctuations.

2. Year-on-year changes in key financial data

Unit: RMB

	H1 2026/June 30, 2026	H1 2025/December 31, 2025	Change (%)	Main reason for change
Operating revenue	4,095,104,770.43	4,385,731,119.78	-6.63%	
Cost of sales	3,399,086,469.72	3,565,320,556.68	-4.66%	
Selling expense	183,274,789.02	182,892,072.03	0.21%	
Administrative expense	228,475,452.05	224,001,579.55	2.00%	
Finance costs	14,570,693.14	-17,117,656.17	185.12%	Currency fluctuations during the period
Income tax expense	16,220,421.54	18,318,812.92	-11.45%	
R&D expense	249,090,029.77	286,580,266.83	-13.08%	
Net cash generated from/used in operating activities	-117,202,900.45	9,845,012.95	-1,290.48%	A RMB250 million decline in sales proceeds collected by subsidiary NationStar Optoelectronics during the period
Net cash generated from/used in investing activities	-592,709,349.96	-18,934,602.88	-3,030.30%	The Company purchased large-denomination certificates of deposit and term deposits totaling RMB688 million during the period. Such capital transactions constitute routine cash management activities and will not exert a material impact on daily production and operations.
Net cash generated from/used in financing activities	-176,681,018.71	-131,887,757.84	-33.96%	The combined effects of repayment of supply chain financing and the recovery of bank acceptance bill

				deposits during the period
Net increase in cash and cash equivalents	-908,666,795.84	-138,553,235.69	-555.83%	Combined impact of the Company's purchase of large-denomination certificates of deposit and term deposits totaling RMB688 million and a net decrease of RMB179 million in cash and cash equivalents of subsidiary NationStar Optoelectronics during the period
Monetary assets	2,393,469,742.64	3,455,743,091.17	-30.74%	Purchases of large-denomination certificates of deposit and term deposits during the period
Other receivables	51,718,835.85	82,678,537.89	-37.45%	Receipts of funds during the period
Contract assets	225,336.26	450,672.52	-50.00%	Receipts of customer payments during the period
Current portion of non-current assets	1,042,833,211.63	429,862,721.67	142.60%	Reclassification of large-denomination certificates of deposit classified under other debt investments that originally had maturities exceeding one year yet will fall due within one year during the period
Other current assets	716,647,857.85	221,586,381.03	223.42%	Purchases of large-denomination certificates of deposit and term deposits during the period
Other debt investments	100,947,945.20	720,083,694.31	-85.98%	Reclassification of large-denomination certificates of deposit classified under other debt investments that originally had maturities exceeding one year yet will fall due within one year during the period
Held-for-trading financial liabilities	441,690.00			Fair value changes in forward foreign exchange settlement products resulting from currency fluctuations during the period
Taxes and levies payable	56,611,646.83	91,181,551.13	-37.91%	Payment of income tax payable during the period
Other current liabilities	162,099,708.78	81,286,297.53	99.42%	Increase in endorsed but unmatured notes that have not been derecognized
Specific reserve	5,135,099.20	3,436,494.07	49.43%	Decrease in the amount used for production safety during the period
Gain on changes in fair value ("-" for loss)	-1,792,904.78	345,894.65	-618.34%	Fair value changes in forward foreign exchange settlement products resulting from currency fluctuations during the period
Credit impairment loss ("-" for loss)	-3,924,527.64	-12,101,495.69	67.57%	Decrease in loss allowances recognized for accounts receivable and other receivables during the period
Asset impairment loss ("-" for loss)	-39,884,970.01	-22,424,871.33	-77.86%	An increase of RMB14.5345 million in inventory valuation allowances accrued by subsidiary NationStar Optoelectronics during the period
Asset disposal income ("-" for loss)	2,743,111.71	-64,693.00	4,340.20%	Gains arising from the disposal of non-current assets during the period

Non-operating income	10,678,496.71	2,113,315.35	405.30%	Higher income from liquidated damages during the period
Net profit attributable to owners of the parent company	41,705,640.38	114,993,752.24	-63.73%	Combined impact of lower gross profit margin, higher exchange losses and declining profits of subsidiaries during the period
Net profit attributable to non-controlling interests	-35,081,061.46	32,930,123.49	-206.53%	Declining profits of subsidiaries during the period
Changes in the fair value of other equity investments	-24,864,916.26	214,283,065.88	-111.60%	Year-on-year decrease in the fair value change in other equity investments during the period
Differences arising from the translation of foreign currency-denominated financial statements	-4,646,746.45	-447,357.83	-938.71%	Currency fluctuations during the period
Other comprehensive income, net of tax attributable to non-controlling interests	-1,254,048.45	-343,935.41	-264.62%	Currency fluctuations during the period

Material changes to the profit structure or sources of the Company in the Reporting Period:

□ Applicable ☑ Not applicable

No such changes in the Reporting Period.

3. Breakdown of Operating Revenue

Unit: RMB

	H1 2026		H1 2025		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	4,095,104,770.43	100%	4,385,731,119.78	100%	-6.63%
By operating division					
Lighting products and luminaries	2,655,535,419.35	64.85%	2,632,166,173.46	60.02%	0.89%
Electronic component manufacturing	1,076,623,896.16	26.29%	1,260,619,128.02	28.74%	-14.60%
Export trade and other	362,945,454.92	8.86%	492,945,818.30	11.24%	-26.37%
By product category					
General lighting products	1,611,053,710.35	39.34%	1,555,797,106.24	35.47%	3.55%
LED packaging and components	949,448,488.62	23.18%	1,138,917,060.61	25.97%	-16.64%
Auto lamps	944,978,608.80	23.08%	1,013,526,856.90	23.11%	-6.76%
Trade and other	589,623,962.66	14.40%	677,490,096.03	15.45%	-12.97%
By operating segment					
Domestic	3,271,574,278.55	79.89%	3,419,449,003.11	77.97%	-4.32%
Overseas	823,530,491.88	20.11%	966,282,116.67	22.03%	-14.77%

4. Operating Division, Product Category, and Operating Segment Contributing over 10% of Operating Revenue or Operating Profit

☑ Applicable □ Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Lighting products and luminaries	2,655,535,419.35	2,140,352,863.89	19.40%	0.89%	5.91%	-3.82%
Electronic component manufacturing	1,076,623,896.16	935,851,497.41	13.08%	-14.60%	-12.19%	-2.38%
Export trade and other	362,945,454.92	322,882,108.42	11.04%	-26.37%	-32.53%	8.12%
By product category						
General lighting products	1,611,053,710.35	1,228,774,397.13	23.73%	3.55%	7.52%	-2.81%
LED packaging and components	949,448,488.62	811,230,046.56	14.56%	-16.64%	-14.08%	-2.54%
Auto lamps	944,978,608.80	831,545,579.16	12.00%	-6.76%	-0.26%	-5.74%
Trade and other	589,623,962.66	527,536,446.87	10.53%	-12.97%	-18.17%	5.68%
By operating segment						
Domestic	3,271,574,278.55	2,669,800,047.18	18.39%	-4.32%	-2.66%	-1.40%
Overseas	823,530,491.88	729,286,422.54	11.44%	-14.77%	-11.35%	-3.43%

Core business data of the prior period restated according to the changed statistical caliber for the Reporting Period:

□ Applicable ☑ Not applicable

IV Analysis of Non-Core Businesses

☑ Applicable □ Not applicable

Unit: RMB

	Amount	As % of profit before tax	Main source/reason	Recurrent or not
Return on investment	28,114,634.63	123.07%	Dividend income from other equity investments held during the period, and interest income from other debt investments	Yes
Gain/loss on changes in fair value	-1,792,904.78	-7.85%	Gain/loss on changes in fair value of financial instruments during the period	Yes
Asset impairments	-39,884,970.01	-174.59%	Inventory valuation allowances recognized during the period	Yes
Non-operating income	10,678,496.71	46.74%	Compensation income from breach of contract during the period	No

Non-operating expense	1,703,745.67	7.46%	Payment of late fees and write-off of scrapped inventories during the period	No
Other income	40,191,280.00	175.93%	Receipt of continuing government grants during the period	No
Credit impairment loss (“-” for loss)	-3,924,527.64	-17.18%	Loss allowances recognized for accounts receivable and other receivables during the period	Yes
Asset disposal income (“-” for loss)	2,743,111.71	12.01%	Gains or losses on the disposal of non-current assets during the period	No

V Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	June 30, 2026		December 31, 2025		Change in percentage (%)	Main reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	2,393,469,742.64	14.41%	3,455,743,091.17	20.13%	-5.72%	Purchases of large-denomination certificates of deposit and term deposits during the period
Accounts receivable	2,085,974,309.71	12.56%	2,173,325,283.78	12.66%	-0.10%	
Contract assets	225,336.26	0.00%	450,672.52	0.00%	0.00%	
Inventory	2,341,737,044.79	14.10%	2,163,660,652.65	12.60%	1.50%	Inventory stocking in response to rising raw material prices during the period
Investment property	800,948,005.13	4.82%	810,582,038.87	4.72%	0.10%	
Long-term equity investments	185,497,823.30	1.12%	184,806,652.92	1.08%	0.04%	
Fixed assets	3,504,249,535.77	21.10%	3,586,917,576.90	20.89%	0.21%	
Construction in progress	250,251,499.08	1.51%	223,949,659.06	1.30%	0.21%	
Right-of-use assets	17,967,235.72	0.11%	23,771,544.09	0.14%	-0.03%	
Short-term borrowings	581,589,947.26	3.50%	635,015,074.86	3.70%	-0.20%	
Contract liabilities	101,215,408.89	0.61%	140,787,246.73	0.82%	-0.21%	
Long-term borrowings	179,420,949.27	1.08%	192,915,075.78	1.12%	-0.04%	
Lease liabilities	11,035,419.40	0.07%	15,354,724.02	0.09%	-0.02%	
Notes receivable	753,261,897.52	4.53%	732,835,152.15	4.27%	0.26%	
Receivables financing	467,728,813.47	2.82%	415,949,788.02	2.42%	0.40%	

Current portion of non-current assets	1,042,833,211.63	6.28%	429,862,721.67	2.50%	3.78%	Reclassification of large-denomination certificates of deposit classified under other debt investments that originally had maturities exceeding one year yet will fall due within one year during the period
Other current assets	716,647,857.85	4.31%	221,586,381.03	1.29%	3.02%	Purchases of large-denomination certificates of deposit and term deposits during the period
Other equity investments	457,691,201.25	2.76%	471,794,043.90	2.75%	0.01%	
Intangible assets	399,102,087.19	2.40%	383,525,440.66	2.23%	0.17%	
Long-term prepaid expense	362,934,372.98	2.19%	335,938,420.48	1.96%	0.23%	
Notes payable	1,994,470,163.70	12.01%	2,179,070,444.41	12.69%	-0.68%	
Accounts payable	2,310,647,251.69	13.91%	2,443,871,780.95	14.24%	-0.33%	
Other payables	334,721,375.64	2.02%	372,152,039.73	2.17%	-0.15%	
Share capital	1,535,778,230.00	9.25%	1,535,778,230.00	8.95%	0.30%	
Capital reserves	843,412,968.15	5.08%	843,517,955.90	4.91%	0.17%	

2. Major Assets Overseas

□ Applicable ☑ Not applicable

3. Assets and Liabilities at Fair Value

☑ Applicable □ Not applicable

Unit: RMB

Item	Opening amount	Gain/loss on fair-value changes during the period	Cumulative fair-value changes charged to equity	Impairment allowance for the period	Purchased during the period	Sold during the period	Other changes	Closing amount
Financial assets								
1. Held-for-trading financial assets (exclusive of derivative	2,768,997.33	-1,792,904.78				-688,500.00	441,690.00	2,106,282.55

financial assets)								
3. Other debt investments	1,149,946,415.98				100,000,000.00	110,000,000.00	3,834,740.85	1,143,781,156.83
3. Other equity investments	471,794,043.90	-29,252,842.65	238,801,050.62		15,150,000.00			457,691,201.25
5. Receivables financing	415,949,788.02						51,779,025.45	467,728,813.47
Subtotal of financial assets	2,040,459,245.23	-31,045,747.43	238,801,050.62		115,150,000.00	109,311,500.00	56,055,456.30	2,071,307,454.10
Total of the above	2,040,459,245.23	-31,045,747.43	238,801,050.62		115,150,000.00	109,311,500.00	56,055,456.30	2,071,307,454.10
Financial liabilities							441,690.00	441,690.00

Details about other changes:

The purchased amount in the Reporting Period of other debt investments referred to the cash management (large-denomination certificates) by the Company with its own temporarily idle funds and idle raised funds, which was classified as financial assets at fair value through other comprehensive income. A total amount of RMB100,000,000.00 was purchased and a total amount of RMB110,000,000.00 was disposed of in the Reporting Period, and other changes were RMB3,834,740.85 of cumulative recognized interest.

Significant changes to the measurement attributes of the major assets in the Reporting Period:

□ Yes ☑ No

4. Restricted Asset Rights as at the Period-End

Unit: RMB

Item	Closing carrying value	Reason for restriction
Monetary assets	478,677,249.14	Security deposits for bills, performance bonds, etc.
Notes receivable	572,757,449.03	In pledge for the bill pool, undue notes receivable that have been endorsed or discounted
Fixed assets	198,008,084.57	As mortgage and guarantee for related party, see “3. Other information” under XVI of Part VIII in this Report
Intangible assets	10,030,658.70	
Receivables financing	26,500,000.00	In pledge for the bill pool
Accounts receivable	945,000.00	Undue accounts receivable that have been transferred
Total	1,286,918,441.44	

VI Investments Made

1. Total Investment Amount

☑ Applicable □ Not applicable

Investment amount during the Reporting Period (RMB)	Investment amount in the same period of last year (RMB)	Change (%)
89,622,787.32	156,790,198.87	-42.84%

2. Major Equity Investments Made in the Reporting Period

□ Applicable ☑ Not applicable

3. Major Non-Equity Investments Ongoing in the Reporting Period

☑ Applicable □ Not applicable

Unit: RMB

Name of project	Way of investment	Fixed asset investment or not	Industry of the investment project	Input during the period	Cumulative input as of the period-end	Funding source	Project progress	Predicted return	Cumulative return as of the period-end	Reason for failure to reach the planned progress and predicted return	Date of disclosure (if any)	Index to disclosed information (if any)
The Jili Industrial Park project (not including land purchase)	Other	Yes	LED packaging	7,416,842.86	868,244,588.99	Self-pooled funds	50.64%			N/A	August 7, 2020	Announcement on Investment in the Construction of Nation Star Optoelectronics' Jili Industrial Park Project on www.cninfo.com.cn (announcement of

												subsidiary Nation Star Optoelectronics)
Total	--	--	--	7,416,842.86	868,244,588.99	--	--			--	--	--

4. Financial Investments

(1) Securities Investments

☑ Applicable □ Not applicable

Unit: RMB

Security type	Security code	Security name	Initial investment cost	Measurement method	Beginning carrying value	Gain/Loss on fair-value changes in Reporting Period	Accumulated fair-value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Ending carrying value	Accounting title	Funding source
Domestically/Overseas listed stock	601187	Xiamen Bank	152,957,606.83	Fair value method	421,011,500.10	-29,252,842.65	238,801,050.62			6,309,436.65	391,758,657.45	Other equity investment	Self-funded
Other	None	Guangdong Embodied Intelligence Technology Co., Ltd.	15,150,000.00	Fair value method				15,150,000.00			15,150,000.00	Other equity investment	Self-funded
Domestically/Overseas listed stock	601777	Qianli Technology	1,306,956.18	Fair value method	2,676,867.86	-622,000.34				-622,000.34	2,054,867.52	Held-for-trading financial assets	Other
Other	None	Foshan	500,000.00	Fair value	500,000.00						500,000.00	Other equity	Self-funde

		branch of Guangdong Development Bank		method								investment	d
Domestically/Overseas listed stock	000980	ZOTYE Automobile	423,448.92	Fair value method	92,129.47	-40,714.44				-40,714.44	51,415.03	Held-for-trading financial assets	Other
Total			170,338,011.93	--	424,280,497.43	-29,915,557.43	238,801,050.62	15,150,000.00		5,646,721.87	409,514,940.00	--	--

(2) Investments in Derivative Financial Instruments

☑ Applicable □ Not applicable

1) Derivative Investments for Hedging Purposes in the Reporting Period

☑ Applicable □ Not applicable

Unit: USD’0,000

Type of derivative	Initial investment amount	Opening amount	Gain/Loss on fair-value changes during the period	Accumulated fair-value changes recorded in equity	Purchased during the period	Sold during the period	Closing amount	Closing investment amount as % of the Company’s closing equity
General forward	3,110	0	-16.44	0	3,110	1,850	1,260	1.27%
Total	3,110	0	-16.44	0	3,110	1,850	1,260	1.27%
Major changes in accounting policies and specific accounting principles adopted for hedges in the Reporting Period compared to the last reporting period	No							
Actual gain/loss in the Reporting Period	The actual gain/loss stood at USD8,500 in the Reporting Period.							
Effectiveness of hedging	The Company carries out foreign exchange hedging business appropriately according to specific situations, which can effectively reduce the foreign exchange market risk, lock in industrial profit of export business and							

	avoid exchange rate risk.
Funding source	Self-funded
Analysis of risks and control measures associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	Risk analysis of the forward foreign exchange settlement: 1. Market risk: Given the unpredictability of economic changes at home and abroad, the foreign exchange hedging business faces market risk, to some extent. 2. Foreign currency risk: When the foreign currency trend greatly deviates from the Company's judgment of such trend, the expenses after locking the exchange rate might exceed that before doing so, resulting in losses to the Company. 3. Internal control risk: Imperfect internal control policies probably triggers risks to the foreign exchange hedging business, as it is highly professional and complex. 4. Trading default risk: If the counterparty of foreign exchange hedging defaults by failing to pay hedging earnings to the Company as agreed, the actual exchange loss of the Company will not be offset. 5. Collection forecast risk: Marketing departments forecast collection based on the actual and expected orders of customers. In practice, customers may adjust such orders. As a result, the Company's collection forecast will not be accurate, leading to delivery risks. Adopted risk control measures: 1. The Company will strengthen the research and analysis of the exchange rate. When the exchange rate fluctuates greatly, it will adjust the business strategy in a timely manner to stabilize the export business and avoid exchange losses to the utmost. 2. The Company has established the Management System for Foreign Exchange Hedging and majority-owned subsidiary NationStar Optoelectronics has also formulated the Management System for Forward Forex Settlement and Sale and Forex Option Transactions, clearly defining the operating principles, approval authority, responsible department and responsible person, internal operation procedures, information isolation measures, internal risk reporting system, risk management procedures, and information disclosure related to the foreign exchange hedging business. 3. In order to prevent any delay in the foreign exchange hedging, the Company will strengthen the management of accounts receivable, actively collect receivables, and avoid any overdue receivables. In the meantime, the Company plans to increase the export purchases and purchase corresponding credit insurance so as to reduce the risk of default and customer default. 4. The Company's foreign exchange hedges must be strictly based on the Company's foreign exchange earnings prediction. Besides, the Company shall strictly control the scale of its foreign exchange hedges, and manage all risks that the Company may face within a controllable range. 5. The internal audit department of the Company shall check the actual signing and execution situation of all trading contracts on a regular or irregular basis.
Changes in market prices or fair value of derivative investments in the Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	The Company carries out recognition and measurement in accordance with the Accounting Standard for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments, the Accounting Standard for Business Enterprises No. 24—Hedges, the Accounting Standard for Business Enterprises No. 37—Presentation of Financial Instrument and other applicable regulations. Fair value is arrived at based on the price provided by pricing service providers such as banks or the price obtained. Fair value measurement and recognition are carried out on a monthly basis. Changes in the fair value of forward exchange settlement contracts entered into by the Company are mainly attributable to difference arising from exchange rate fluctuations.
Legal matters involved (if applicable)	N/A
Disclosure date of announcement on board's approving derivative investment (if any)	April 25, 2025
	April 17, 2026

2) Derivative Investments for Speculative Purposes in the Reporting Period

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

5. Use of Raised Funds

☑ Applicable □ Not applicable

(1) General Information about Use of Raised Funds

☑ Applicable □ Not applicable

Unit: RMB'0,000

Year of raising	Way of raising	Securities listing date	Total amount raised	Net amount of funds raised (1)	Used in the current period	Cumulative total amount of raised funds used (2)	Usage ratio of raised funds at the end of the Reporting Period (3)=(2)/(1)	Re-purposed amount in the Reporting Period	Cumulative re-purposed amount	Cumulative re-purposed amount as % of total amount raised	Unused amount	Purpose and whereabouts of the unused amount	Amount being idle for more than two years
2023	Issuance of shares to specific objects	December 4, 2023	109,455.18	108,841.55	5,787.52	37,320.51	34.29%	0	24,504.84	22.51%	72,796.38	The amount of idle raised funds used for cash management that has not yet matured is RMB 583,353,100, and the remaining raised funds are deposi	0

												ted in a special account for raised funds.	
Total	--	--	109,455.18	108,841.55	5,787.52	37,320.51	34.29%	0	24,504.84	22.51%	72,796.38	--	0

Description of the use of raised funds:

In November 2023, the Company raised RMB1,094.5518 million through a share issuance to specific investors. After deducting issuance expenses such as underwriting fees, sponsorship fees, audit fees, and legal fees totaling RMB6.1363 million, the actual net proceeds amounted to RMB1,088.4155 million. As of June 30, 2026, the Company had cumulatively utilized RMB373,205,100 of the raised funds, accounting for34.29% of the net proceeds.

2. Promised Use of Raised Funds

☑ Applicable □ Not applicable

Unit: RMB'0,000

Financing project name	Securities listing date	Promised project funded with raised funds and investment with over-raised funds	Project nature	Re-purposed or partially re-purposed or not	Total promised investment amount with raised funds	Adjusted total amount of the investment (1)	Input in the Reporting Period	Accumulative investment amount at the end of the Reporting Period (2)	Investment progress as at the period-end (3)=(2)/(1)	Time when the project is ready for its intended use	Returns derived in the Reporting Period	Accumulative benefits recorded as at the end of Reporting Period	Meeting the expected returns or not	Significant change to project feasibility or not
Promised projects														
2023 Issuance of Shares to Specific Targets	December 4, 2023	FSL's automation and digitalization project	Production and construction	No	36,464.27	35,850.64	1,668.16	7,837.22	21.86%	November 2026	N/A	N/A	N/A	No

2023 Issuance of Shares to Specific Targets	December 4, 2023	FSL Hainan Industrial Park I	Production and construction	Yes	25,252.91	13,631.82	0	13,631.82	100.00%	Terminated	N/A	N/A	N/A	Yes
2023 Issuance of Shares to Specific Targets	December 4, 2023	The smart street lights project	Production and construction	Yes	9,179.52	95.77	0	95.77	100.00%	Terminated	N/A	N/A	N/A	Yes
2023 Issuance of Shares to Specific Targets	December 4, 2023	The vehicle light module production project	Production and construction	No	24,008.8	24,008.8	2,110.05	6,319.84	26.32%	May 2027	N/A	N/A	N/A	No
2023 Issuance of Shares to Specific Targets	December 4, 2023	The R&D center construction project	Research and development project	Yes	14,549.68	14,549.68	2,009.31	9,435.86	64.85%	November 2027	N/A	N/A	N/A	No
Subtotal of promised projects				--	109,455.18	88,136.71	5,787.52	37,320.51	--	--			--	--
Use of over-raised funds														
There were no over-raised funds.														
Total				--	109,455.18	88,136.71	5,787.52	37,320.51	--	--			--	--
Explain the circumstances and reasons for failing to achieve the planned progress and expected returns by item (including the		1. FSL's Automation and Digitalization Project: This project aims to procure advanced automated production equipment and supporting facilities, and to implement a digital and intelligent transformation to establish an intelligent manufacturing system. It was originally scheduled to reach its intended usable state by November 2026. Nevertheless, dragged by decelerating global macroeconomic growth, continuous adjustments in the real estate sector, geopolitical tensions and international trade frictions, the lighting industry has been confronted with headwinds including sluggish market demand and intensifying market competition. To cope with uncertainties in market demand and avert inefficient utilization of raised funds as well as idle production capacity risks arising from irrational capacity expansion, the Company has slowed down the pace of equipment procurement. Furthermore, technologies in the digital space are iterating rapidly; the construction of relevant systems needs to align with the upgrade pace of the Company's existing internal information systems. Coupled with declining costs of supporting software and hardware, the foregoing factors have collectively resulted in the												

reason for selecting "N/A" for "Meeting the expected returns or not")	project's investment progress falling short of expectations. 2. R&D Center Construction Project: On June 18, 2024, the Company held the 57th meeting of the 9th Board of Directors and the 29th meeting of the 9th Supervisory Committee, reviewing and passing the Proposal on Extending the R&D Center Construction Project Time. According to the construction status and implementation progress of the raised funds investment project, and in light of the demand for products in the downstream market, the relevant R&D projects planned for the Company's R&D center are currently progressing steadily and the purchase of relevant R&D equipment and R&D-related software is under way in succession. However, as some experimental equipment needs to be customized and the R&D equipment is characterized by small batches and multiple varieties, not all equipment has been procured, installed or commissioned adequately. In view of the above reasons, the Company agreed to extend the construction period of the raised funds investment project "R&D center construction project" by two years, that is, to extend the time for the raised funds investment project to reach the intended status of use to May 2026. On April 23, 2025, the Company held the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Supervisory Committee, and on May 15, 2025, the Company's 2024 general meeting of shareholders was held, during which the Proposal on the Change and Termination of Certain Fundraising Investment Projects was reviewed and approved. Due to adjustments made to certain R&D topics and supporting equipment during the implementation of the "R&D Center Construction Project," the Company extended the investment period of the project by one and a half years to ensure smooth project advancement and the achievement of R&D objectives. Accordingly, the planned date for the project to reach its intended usable state will be postponed to November 2027. 3. Automotive Lighting Module Production Project: On April 23, 2025, the Company held the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Supervisory Committee, and on May 15, 2025, the Company's 2024 general meeting of shareholders was held, during which the Proposal on Adjusting the Internal Investment Structure, Adding Implementation Sites, and Postponing Certain Fundraising Investment Projects was reviewed and approved. Throughout the implementation of the Automotive Lighting Module Production Project, the Company has prioritized project quality and long-term profitability, laying a solid foundation and proceeding with investment in a phased manner. However, due to the stringent certification requirements for entry into the automotive lighting supply chain system and the long lead time for the deployment of high-end customized equipment, the current investment progress has fallen behind schedule. Therefore, the Company extended the investment period of the project by two years, postponing the date for it to reach its intended usable state to May 2027. (For details on the delay in the planned progress of the "FSL's Hainan Industrial Park Phase I" and the "Smart Streetlight Construction Project", please refer to the section "Particulars about significant change to project feasibility" in this table.)
Particulars about significant change to project feasibility	1. FSL's Hainan Industrial Park Phase I Project: On April 23, 2025, the Company held the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Supervisory Committee, and on May 15, 2025, the Company's 2024 general meeting of shareholders was held, during which the Proposal on the Change and Termination of Certain Fundraising Investment Projects was reviewed and approved. Due to various factors, including the fact that China's marine industry is still in its early stages of development, the Company's existing production capacity is sufficient to meet the current and near-future demand of the marine lighting market. Therefore, the Company intends to terminate the implementation of this project (for further details, please refer to the Announcement on the Change and Termination of Certain Fundraising Investment Projects, disclosed on April 25, 2025 on www.cninfo.com.cn). 2. Smart streetlight construction project: On April 23, 2025, the Company convened the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Board of Supervisors, at which the Proposal on the Change and Termination of Certain Funded Projects was reviewed and approved. Due to a slowdown in investment by local governments in municipal infrastructure in recent years, the market demand for new infrastructure projects such as smart streetlights has grown at a rate below expectations, resulting in insufficient project orders. Therefore, the Company proposes to terminate the implementation of the "Smart Streetlight Construction Project" (For further details, please refer to the Announcement on the Change and Termination of Certain Funded Projects, disclosed on April 25, 2025 on cninfo.com.cn).
Amount, purpose and use progress of over-raised funds	N/A
Unauthorized change of the purpose of	N/A

<table>
<tr><td>raised funds and misappropriation of raised funds</td><td></td></tr>
<tr><td rowspan="3">Change of implementation location of raised funds investment projects</td><td>Applicable</td></tr>
<tr><td>Occurred prior to the Reporting Period</td></tr>
<tr><td>1. On April 23, 2025, the Company held the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Supervisory Committee, during which the Proposal on Adjusting the Internal Investment Structure, Adding Implementation Sites, and Postponing Certain Fundraising Investment Projects was reviewed and approved. The FSL's Automation and Digitalization Project has added "Fozhao Building, 8 Zhihui Road, Zhangcha Subdistrict, Chancheng District, Foshan City" as a new implementation site. Post-adding, the project's implementation sites changed to "39 Zhaoming Avenue, Hecheng Subdistrict, Gaoming District, Foshan City' and "Fozhao Building, 8 Zhihui Road, Zhangcha Subdistrict, Chancheng District, Foshan City".

2. .The Company held the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Supervisory Committee on April 23, 2025 and the 2024 general meeting of shareholders on May 15, 2025, during which the Proposal on the Change and Termination of Certain Fundraising Investment Projects. The R&D Center Construction Project added "Fozhao Building, 8 Zhihui Road, Zhangcha Subdistrict, Chancheng District, Foshan City" and "54/F, The Pinnacle, 17 West Zhujiang Road, Tianhe District, Guangzhou City" as two new implementation sites. After-adding, the project's implementation sites changed to "39 Zhaoming Avenue, Hecheng Subdistrict, Gaoming District, Foshan City," "Fozhao Building, 8 Zhihui Road, Zhangcha Subdistrict, Chancheng District, Foshan City," and "54/F, The Pinnacle, 17 West Zhujiang Road, Tianhe District, Guangzhou City".</td></tr>
<tr><td rowspan="3">Adjustments to the way of implementation of raised funds investment projects</td><td>Applicable</td></tr>
<tr><td>Occurred prior to the Reporting Period</td></tr>
<tr><td>On June 18, 2024, the Company held the 57th meeting of the 9th Board of Directors and the 29th meeting of the 9th Supervisory Committee, reviewing and passing the Proposal on Adding Implementation Entities and Special Accounts for Raised Funds to Some Raised Funds Investment Projects and agreed to add FSL Chanchang Lighting Co., Ltd. (hereinafter referred to as "Chanchang Company"), a wholly-owned subsidiary of the Company, as one of the implementation entities for the raised funds investment project "FSL's automation and digitalization project". In consequence, the implementation entities of the raised funds investment project changed from the Company to the Company and Chanchang Company. The adjustment did not involve any change to the amount or purpose of the raised funds.</td></tr>
<tr><td rowspan="2">Advance investments in promised projects funded with raised funds and subsequent swaps</td><td>Applicable</td></tr>
<tr><td>On January 16, 2024, the Company held the 51st meeting of the 9th Board of Directors and the 25th meeting of the 9th Supervisory Committee, reviewing and passing the Proposal on Using Raised Funds to Replace Self-raised Funds for Pre-invested Capital Projects and Paid Issuance Expenses and agreed based on the actual situation of the Company to use the raised funds to replace self-raised funds of RMB87,975,313.46 used for pre-invested capital projects. Specifically, self-raised funds of RMB2,603,975.16 for paid issuance expenses would be replaced. By January 2024, the Company had completed the swap of all the self-pooled funds.</td></tr>
<tr><td>Use of idle raised funds for temporarily supplementing the working capital</td><td>N/A</td></tr>
<tr><td>Surplus amount of raised funds upon project implementation and the reasons</td><td>N/A</td></tr>
</table>

Purpose and whereabouts of unused raised funds	As of June 30, 2026, the total amount of unused proceeds was RMB727,963,800, of which RMB144,610,800 was held as bank deposits in designated accounts for raised funds, and RMB 583,353,100 was invested in cash management using temporarily idle proceeds, which had not yet matured or been redeemed. The raised funds unused by the Company would be put into use according to the subsequent progress of the raised funds investment projects.
Problems or other issues arising in the use and disclosure of raised funds	1. On January 16, 2024, the Company held the 51st meeting of the 9th Board of Directors and the 25th meeting of the 9th Supervisory Committee, reviewing and passing the Proposal on Using Raised Funds to Provide Subsidiaries with Loans for Implementing Raised Funds Investment Projects. Given that the implementation of the raised funds investment project “FSL Hainan Industrial Park I” is organized by Fozhao (Hainan) Technology Co., Ltd. (hereinafter referred to as “Hainan Technology”), a wholly-owned subsidiary of the Company, to guarantee the successful implementation of the raised funds investment project, the Board of Directors agreed that the Company might use raised funds to provide an interest-free loan for Hainan Technology, with the total loan amount not exceeding RMB252,529,100 and a loan term of three years. Hainan Technology may negotiate with the Company to extend the loan term or make early repayment based on its actual operating conditions. 2. On April 23, 2025, the Company held the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Supervisory Committee, during which the Proposal on Adjusting the Internal Investment Structure, Adding Implementation Sites, and Postponing Certain Fundraising Investment Projects was reviewed and approved. In light of the rapid development of information technology and the Company’s actual business needs, and in order to enhance the efficiency of fund utilization, the Company plans to adjust the internal investment structure for equipment upgrades under the “FSL’s automation and digitalization project,” and to add a new project implementation site at “Fozhao Building, 8 Zhihui Road, Zhangcha Subdistrict, Chancheng District, Foshan City.” 3. On April 23, 2025, the Company convened the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Board of Supervisors, at which the Proposal on the Change and Termination of Certain Funded Projects was reviewed and approved. It was agreed that the Company would make the following adjustments to the “R&D Center Construction Project”: first, change certain research topics and equipment investment items; second, adjust the internal investment structure of the project; third, extend the project investment period by one and a half years; fourth, add two new implementation sites. At the same time, the implementation of the FSL Hainan Industrial Park I Project and the Smart Street Lights Project will be terminated. 4. On February 5, 2026, during a review of the use of raised funds, the Company discovered that due to litigation, RMB 6,658,300 in the special settlement account for wealth management products opened by its wholly-owned subsidiary, Fozhao (Hainan) Technology Co., Ltd., at the Haikou Binhai Branch of Bank of Hainan Co., Ltd., were frozen. The Company promptly applied to the court for a change in the preservation order, replacing the frozen raised funds with its own funds from a general account. As of the end of February 2026, the frozen raised funds had been unfrozen, without affecting the progress of the raised funds invested projects or the Company’s normal production and operation.

3. Re-purposed Raised Funds

☑ Applicable ☐ Not applicable

Unit: RMB’0,000

Financing project name	Way of raising	Re-purposed project	Corresponding original promised project	Total raised funds to be invested in the re-purposed project (1)	Actual input in the Reporting Period	Actual accumulative investment amount at the end of the Reporting Period (2)	Investment progress as at the period-end (3)=(2)/(1)	Time when the project is ready for its intended use	Returns derived in the Reporting Period	Meeting the expected returns or not	Significant change to re-purposed project feasibility or not
2023	Issuanc	Undeter	FSL	11,621.					N/A	N/A	N/A

<table>
<tr><td>issuance of shares to specific targets</td><td>e of shares to specific objects</td><td>mined</td><td>Hainan Industrial Park I</td><td>09</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>2023 issuance of shares to specific targets</td><td>Issuance of shares to specific objects</td><td>Undetermined</td><td>The smart street lights project</td><td>9,083.75</td><td></td><td></td><td></td><td></td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>2023 issuance of shares to specific targets</td><td>Issuance of shares to specific objects</td><td>The R&D center construction project</td><td>The R&D center construction project</td><td>14,549.68</td><td>2,009.31</td><td>9,435.86</td><td>64.85%</td><td>November 2027</td><td>N/A</td><td>N/A</td><td>No</td></tr>
<tr><td>Total</td><td>--</td><td>--</td><td>--</td><td>35,254.52</td><td>2,009.31</td><td>9,435.86</td><td>--</td><td>--</td><td>0</td><td>--</td><td>--</td></tr>
<tr><td colspan="4">Explain the reasons, decision-making procedures and information disclosure (by project)</td><td colspan="8">1. FSL’s Hainan Industrial Park Phase I Project: On April 23, 2025, the Company held the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Supervisory Committee, and on May 15, 2025, the Company’s 2024 general meeting of shareholders was held, during which the Proposal on the Change and Termination of Certain Fundraising Investment Projects was reviewed and approved. Due to various factors, including the fact that China’s marine industry is still in its early stages of development, the Company’s existing production capacity is sufficient to meet the current and near-future demand of the marine lighting market. Therefore, the Company terminated the implementation of this project (for further details, please refer to the Announcement on the Change and Termination of Certain Fundraising Investment Projects disclosed on April 25, 2025 on cninfo.com.cn).

2. Smart streetlight construction project: On April 23, 2025, the Company convened the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Board of Supervisors, at which the Proposal on the Change and Termination of Certain Funded Projects was reviewed and approved. Due to a slowdown in investment by local governments in municipal infrastructure in recent years, the market demand for new infrastructure projects such as smart streetlights has grown at a rate below expectations, resulting in insufficient project orders. Therefore, the Company terminated the implementation of the “Smart Streetlight Construction Project” (For further details, please refer to the Announcement on the Change and Termination of Certain Funded Projects disclosed on April 25, 2025 on cninfo.com.cn).

3. R&D Center Construction Project: On April 23, 2025, the Company held the 7th meeting of the 10th Board of Directors and the 5th meeting of the 10th Supervisory Committee, and on May 15, 2025, the Company’s 2024 general meeting of shareholders was held, during which the Proposal on the Change and Termination of Certain Fundraising Investment Projects was reviewed and approved. In accordance with the actual construction and investment progress of the project, upon prudent research, the Company adjusted some implementation contents, including the adjustments to some research topics and equipment investment, adjustments to the internal investment structure of the project, extension of the investment timeline of the project. The change neither converted the original fundraising project into a new initiative nor altered the total investment amount of the original fundraising project (For further details, please refer to the Proposal on the Change and Termination of Certain Fundraising Investment Projects disclosed on April 25, 2025 on cninfo.com.cn).</td></tr>
<tr><td colspan="4">Explain the circumstances and reasons for failing to achieve the planned progress and expected returns (by project)</td><td colspan="8">N/A</td></tr>
<tr><td colspan="4">Particulars about significant</td><td colspan="8">N/A</td></tr>
</table>

change to the feasibility of repurposed projects	

VII Sale of Major Assets and Equity Investments

1. Sale of Major Assets

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

2. Sale of Major Equity Investments

□ Applicable ☑ Not applicable

VIII Major Subsidiaries

☑ Applicable □ Not applicable

Major fully/majority-owned subsidiaries and those minority-owned subsidiaries with an over 10% effect on the Company's net profit:

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Foshan NationStar Optoelectronics Co., Ltd.	Subsidiary	Manufacturing	618,477,169.00	5,691,819,255.15	3,758,459,573.59	1,347,995,268.46	-50,342,892.52	-48,612,733.72
Nanning Liaowang Auto Lamp Co., Ltd.	Subsidiary	Manufacturing	35,319,543.00	2,919,513,484.93	1,073,311,833.56	937,768,440.58	4,592,576.62	3,050,331.35
FSL Chanchang Optoelectronics Co., Ltd.	Subsidiary	Manufacturing	72,782,944.00	1,363,284,550.39	527,893,652.34	807,176,044.97	53,751,889.66	46,172,141.16
Foshan Fozhao Zhicheng Technology Co., Ltd.	Subsidiary	Manufacturing	50,000,000.00	229,158,506.19	71,511,834.03	101,781,989.80	13,026,979.25	10,021,182.11
FSL Zhida Electric Technology Co., Ltd.	Subsidiary	Manufacturing	38,150,000.00	168,787,010.11	96,541,579.69	73,580,858.49	8,135,815.84	7,274,822.43

Subsidiaries obtained or disposed in the Reporting Period:

□ Applicable ☑ Not applicable

Information about major majority- and minority-owned subsidiaries:

1. In a major asset restructuring in February 2022, the Company acquired a 21.32% interest in Foshan NationStar Optoelectronics Co., Ltd. (NationStar) from Rising Holdings Group and its acting-in-concert party. Upon the conclusion of the transaction, the Company eventually holds a 21.48% interest in NationStar, and NationStar has become a majority-owned subsidiary of the Company. The Company has included NationStar in its consolidated financial statements since Q1 2022.

2. Nanning Liaowang Auto Lamp Co., Ltd. signed an equity agreement with its existing shareholders in July 2021, and acquired Liaowang Auto Lamp through equity acquisition and capital increase and share expansion. Upon the conclusion of the transaction, the Company eventually holds a 53.79% interest in Liaowang Auto Lamp, and Liaowang Auto Lamp has become a majority-owned subsidiary of the Company. The Company has included Liaowang Auto Lamp in its consolidated financial statements from the date when the Company obtained actual control of it. In February 2026, Liaowang Auto Lamp launched its Employee Stock Ownership Plan (ESOP). Liaowang Auto Lamp subscribed for an additional 263,843 shares by way of capital contribution to the special-purpose entity serving as the ESOP holding platform. Upon completion of such capital increase, the Company's shareholding percentage in Liaowang Auto Lamp was adjusted to 53.39%.

3. FSL Chanchang Optoelectronics Co., Ltd. (renamed on June 19, 2018 from "Foshan Chanchang Electric Appliances (Gaoming) Co., Ltd."), which is a Sino-foreign joint venture invested and established by the Company and Prosperity Lamps and Components Ltd, had obtained license for business corporation on August 23, 2005 through approval by Foreign Trade and Economic Cooperation Bureau of Gaoming District, Foshan with document "MWMY Zi [2005] No. 79". The Company holds 70% equities of the said company; therefore the said subsidiary was included into the scope of the consolidated financial statements since the date of foundation. On August 23, 2016, the Company and Prosperity Lamps and Components Ltd signed the equity transfer agreement. The Company purchased 30% equity of Foshan Chanchang Electric Appliances (Gaoming) Co., Ltd. held by Prosperity Lamps and Components Ltd. After the purchasing, the Company held 100% equity of FSL Chanchang Optoelectronics Co., Ltd.

4. FSL Zhida Electric Technology Co., Ltd. was jointly funded and established by the Company, Foshan Zhibida Enterprise Management Co., Ltd. and Dongguan Baida Semiconductor Materials Co., Ltd., and obtained its business license on October 21, 2016. On January 16, 2023, FSL Zhida adjusted its registered capital based on fully paid-in capital stock. Following the completion of this adjustment, the Company holds a 66.84% equity

interest in FSL Zhida. The Company has incorporated FSL Zhida into the scope of its consolidated financial statements starting from its date of incorporation.

5. Foshan Fozhao Zhicheng Technology Co., Ltd. (formerly FSL Lighting Equipment Co., Ltd., renamed to the current name on December 12, 2022) is a limited liability company invested and established by the Company with a registered capital of RMB15 million. It obtained its business license on May 8, 2013. The Company holds a 100% equity interest therein, and this subsidiary has been included in the scope of the Company's consolidated financial statements commencing from its date of incorporation.

IX Structured Bodies Controlled by the Company

□ Applicable ☑ Not applicable

X Risks Facing the Company and Countermeasures

1. Risks of macro economic fluctuations and fiercer market competition

Current domestic and international macroeconomic conditions face multiple uncertainties. Domestic economic growth is slowing, while rising trade protectionism abroad, along with frequent tariff barriers and technical trade measures, may adversely impact the development of the lighting industry. Particularly, as the lighting industry has entered a phase of stock competition, slowing market growth coupled with fierce competition could continue to put pressure on corporate profit margins.

Countermeasures: The Company will adhere to the set strategies, spend greater effort in developing new products, constantly refine the business portfolio, and actively explore segment markets such as intelligent lighting, healthy lighting, ocean lighting, sports lighting. It will also accelerate the introduction of new manufacturing processes, technologies and products to the market for new competitive edges. At the same time, by optimizing marketing network and strengthening the business focus and expansion on domestic and foreign major customers, the Company will improve service quality, strengthen internal management, and increase core competitiveness constantly.

2. Risk of raw material price fluctuations

The main raw materials of the Company and its subsidiaries include chips, lamp beads, electronic components, aluminum substrates, plastic parts, metal materials, etc. The prices of the aforementioned raw materials are closely related to the prices of commodities such as metals and oil. Meanwhile, surging demand for AI computing power has driven up prices of relevant electronic components rapidly. Fluctuations in the aforesaid raw material prices will exert an impact on the Company's production costs. If the price of raw materials continues to rise in the future, it could adversely affect the Company's production and operation.

Countermeasures: The Company will pay attention to market dynamics, collect industry information, analyze and pre-judge supply of main raw materials and price trends, so as to make excellent sourcing plans. By strengthening centralized procurement through negotiations, refining suppliers, perfecting supply chain management, optimizing product design, and promoting alternative materials, the Company is able to decrease procurement costs.

3. Risk of exchange rate fluctuations

The Company's overseas sales account for approximately 20% of total revenue, and the corresponding sales proceeds are mainly settled in U.S. dollars. A sharp appreciation of the RMB may affect the pricing and competitiveness of the Company's overseas sales, trigger higher exchange losses, and consequently exert an adverse impact on the Company's net profit.

Countermeasures: By keeping abreast of and analyzing exchange rate policies and fluctuation trend of settlement currencies in time, intensifying settlement currency management, ,and carrying out foreign exchange hedging business when the timing is right, the Company can relatively lock in exchange rates and minimize the risks brought by exchange rate fluctuations.

4. Risk associated with the recoverability of accounts receivable

Receivables grow along with the Company's business. Customers who fail to repay loans timely or become insolvent, due to changes in macroeconomic trends, market environments, and their business, will place the Company at the risk of non-performing receivables.

Countermeasures: In order to reduce the receivable collection risk, the Company can constantly optimize the receivable risk management system, categorize and manage customers, regularly assess customers' credit profiles, and enhance customer risk assessment. Meanwhile, it can reinforce contract approval and management, double its effort to collect receivables, and incorporate the collection of receivables into the performance assessment system for business departments.

XI Implementation of Market Value Management Mechanism and Valuation Enhancement Plan

Indicate whether the Company has established a market value management mechanism.

□ Yes ☑ No

Indicate whether the Company has disclosed its valuation enhancement plan.

□ Yes ☑ No

XII Implementation of the Action Plan for "Dual Enhancement of Development Quality and Investor Returns"

Indicate whether the Company has disclosed the Action Plan for "Dual Enhancement of Development Quality and Investor Returns".

□ Yes ☑ No

Part IV Governance, Environmental and Social Information

I Change of Directors and Senior Management

☑ Applicable □ Not applicable

Name	Office title	Type	Date	Reason
Wang Weidong	Director	Elected	February 9, 2026	Job transfer

II Profit Distribution and Capitalization of Capital Reserves into Share Capital for the Reporting Period

□ Applicable ☑ Not applicable

The Company does not intend to distribute cash dividends, issue bonus shares, or capitalize capital reserves into share capital for the Reporting Period.

III Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

IV Environmental Information Disclosure

Indicate whether the listed company or any of its major subsidiaries is included in the list of companies that are required by law to disclose environmental information.

☑ Yes □ No

Number of companies included in the list of companies that are required by law to disclose environmental information		5
No.	Company	Index to the report on required environmental information
1	Gaoming branch of Foshan Electrical and Lighting Co., Ltd.	Department of Ecology and Environment of Guangdong Province- Enterprise Environmental Information Disclosure System
2	Liuzhou Guige Lighting Technology Co., Ltd.	Department of Ecology and Environment of Guangxi Zhuang Autonomous Region- Enterprise Environmental Information Disclosure System
3	Foshan NationStar Optoelectronics Co., Ltd.	Department of Ecology and Environment of Guangdong Province- Enterprise Environmental Information Disclosure System
4	Foshan NationStar Semiconductor Co., Ltd.	Department of Ecology and Environment of Guangdong Province- Enterprise Environmental Information Disclosure

		System
5	Guangdong Fenghua Semiconductor Technology Co., Ltd.	Department of Ecology and Environment of Guangdong Province- Enterprise Environmental Information Disclosure System

V Social Responsibility

The Company places a high value on corporate social responsibility and commitment. Adhering to the "create the value of light" corporate mission, the Company vigorously performs its social responsibility and constantly enhances its protection for the interests of stakeholders in order to create a healthy and beautiful life of light for customers, create and improve the space for personal development for employees and help them achieve the value of life, and contribute to the sound and sustainable development of the society.

1. Protection of the rights and interests of our shareholders and creditors

We continuously improve our corporate governance structure, regulate our operation and enhance our management on information disclosure and investor relations. We treat all our investors fairly and justly, ensure their rights to know about, participate in and vote on the significant events of the Company, and safeguard the legal rights and interests of all our shareholders, especially our minority shareholders.

2. Protection of the rights and interests of our employees

Considering employees the most valuable resource for our survival and development, we constantly improve our employment system, improve the compensation packages for our employees and attach importance to talent cultivation so as to provide opportunities and space for the sustainable development of our employees as well as realize the common development of the employees and the Company. We also pay attention to the health of our employees, attach importance to production safety and labor protection, and improve the working and living conditions for our employees so as to formulate harmonious and stable labor relations.

3. Protection of the rights and interests of our customers and consumers

We have been upholding the "Customer First" principle in our provision of quality products and services to customers. We operate honestly and disallow any unfair trade practice against commercial ethics, market rules and the fair competition principle. We also improve our product quality and after-sales services and try to build a win-win relationship with our customers.

4. Protection of the rights and interests of our suppliers

We respect and protect the legal rights and interests of our suppliers, carefully protect their secret and proprietary information, encourage and push them to continuously improve the quality of their products and services through creating an environment for open and fair competition among them so as to realize mutual benefits and mutual development of the suppliers and the Company.

5. Production safety, environmental protection and sustainable development

The Company sees production safety, environmental protection and energy conservation as an important part of its strategy of sustainable development. In strict compliance with applicable laws and regulations, the Company fully enforces accountability systems for environmental protection and work safety. It has obtained valid certifications for the full set of management systems including ISO 9001 Quality Management System, IATF 16949 Automotive Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System and ISO 50001 Energy Management System. In 2018, the Company was recognized as one of the second batch of National Demonstration Green Factories certified by the Ministry of Industry and Information Technology of the People’s Republic of China.

6. Public relations and welfare

The Company fully implements the social responsibility strategy. By carrying out a series of specific actions and projects, it actively gives back to society and promotes sustainable development. The Company focuses on “industrial development for agriculture, technological benefits for agriculture, and green support for agriculture” as its main task. Through measures such as industrial assistance, paired assistance, and consumption assistance, the Company has upgraded from simple donations to systematic support. It is exploring new models for rural revitalization and contributing to the development of livable, business-friendly, and beautiful rural areas. During the Reporting Period, responding to the “6•30” initiative to support rural revitalization, the Company organized employee donations. It launched the “Love for Reading, Nurturing the Future” book donation campaign, making a targeted donation of books to Hengbi Primary School in Hengbi Town, Wuhua County, to help supplement rural educational resources. Through consumption assistance for industrial products, the Company purchased assistance products, converting its procurement into a practical effort to support rural revitalization, promoting the development of the green supply chain and increasing farmers’ incomes. Furthermore, the Company organized the 2026 voluntary blood donation event, successfully collecting over 35,000 milliliters of whole blood, demonstrating the volunteer spirit of “dedication, friendship, mutual assistance, and progress” through practical actions and spreading positive energy within society.

Part V Significant Events

I Commitments of the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and other Entities Fulfilled in the Reporting Period or Ongoing at the Period-end

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

II Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

III Irregularities in the Provision of Guarantees

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

IV Engagement and Disengagement of Independent Auditor

Indicate whether the interim financial statements have been audited by an independent auditor.

□ Yes ☑ No

The interim financial statements are unaudited by an independent auditor.

V Explanations Given by the Board of Directors Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

□ Applicable ☑ Not applicable

VI Explanations Given by the Board of Directors Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of Last Year

□ Applicable ☑ Not applicable

VII Insolvency and Reorganization

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

VIII Legal Matters

Material lawsuits and arbitrations:

□ Applicable ☑ Not applicable

No such cases in the Reporting Period.

Other legal matters:

☑ Applicable □ Not applicable

Basic information on lawsuit (arbitration)	Amount involved (RMB'0,000)	Whether there are accrued liabilities	Lawsuit (arbitration) progress	Lawsuit (arbitration) results and influences	Execution of lawsuit (arbitration) judgment	Date of disclosure	Index to disclosed information
137 litigation matters that do not meet the criteria for material litigation	20,995.99	No	48 cases are currently under trial. And 89 cases have been concluded.	No significant impact on the Company	39 cases are under enforcement.		N/A

IX Punishments and Rectifications

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

X Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller

☑ Applicable □ Not applicable

During the Reporting Period, the Company and its controlling shareholder and actual controller were not involved in any unsatisfied court judgments, large-amount overdue liabilities or the like.

XI Major Related-Party Transactions

1. Continuing Related-Party Transactions

☑ Applicable □ Not applicable

Related counterparty	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price	Total value (RMB'0,000)	As % of total value of all same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type transactions	Date of disclosure	Index to disclosed information
Guangdong Rising Holdi	Actual controller of the	Purchasing products/re	Receiving labor service	Market price	231.53	231.53	1.01%	2,530	No	Bank transfer or bank	231.53	January 24, 2026	www.cninfo.com.cn

ngs Group Co., Ltd.	Company	ceiving labor service from related party								acceptance bill			
Guangdong Xintao Microelectronics Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Purchase of materials	Market price	108.96	108.96	0.04%			Bank transfer or bank acceptance bill	108.96		
Guangzhou Huajian Business Development Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	11.25	11.25	0.05%			Bank transfer or bank acceptance bill	11.25		
Guangzhou Haixinsha Industrial Co., Ltd.	Under same actual controller (Haixinsha was deregistered on May 27, 2026.)	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	2.35	2.35	0.01%			Bank transfer or bank acceptance bill	2.35		
Zhuhai Dongjiang Environmental Protection	Under same actual controller	Purchasing products/receiving labor service	Receiving labor service	Market price	1.13	1.13	0.00%			Bank transfer or bank acceptance bill	1.13		

Technology Co., Ltd.		from related party											
Guangdong Rising Commercial Factoring Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	0.83	0.83	0.00%			Bank transfer or bank acceptance bill	0.83		
Shenzhen Longgang Dongjiang Industrial Waste Treatment Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	0.41	0.41	0.00%			Bank transfer or bank acceptance bill	0.41		
Zhuhai Doumen District Yongxingsheng Environmental Industry Waste Recovery and Comprehensive Treatment Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	0.36	0.36	0.00%			Bank transfer or bank acceptance bill	0.36		
Jiangmen Dongj	Under same actual	Purchasing produ	Receiving labor service	Market price	0.28	0.28	0.00%			Bank transfer or	0.28		

iang Environmental Company Limited	controller	cts/receiving labor service from related party								bank acceptance bill			
Guangdong Rising Hydrogen Energy Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	0.12	0.12	0.00%			Bank transfer or bank acceptance bill	0.12		
Guangdong Xintao Microelectronics Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	0.1	0.1	0.00%			Bank transfer or bank acceptance bill	0.1		
Shenzhen Yueding Precise Machinery Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Purchase of materials	Market price	702.81	702.81	0.24%	2,970	No	Bank transfer or bank acceptance bill	702.81	January 24, 2026	www.cninfo.com.cn
Guangdong Rising Digital Technology Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service	Receiving labor service	Market price	330.25	330.25	1.45%			Bank transfer or bank acceptance bill	330.25		

		from related party											
Primatronix Nanho Technology Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	25.64	25.64	0.11%			Bank transfer or bank acceptance bill	25.64		
Guangdong Electronics Information Industry Group Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Purchase of materials	Market price	25.46	25.46	0.01%			Bank transfer or bank acceptance bill	25.46		
Guangdong Fenghua New Energy Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Purchase of materials	Market price	4.94	4.94	0.00%			Bank transfer or bank acceptance bill	4.94		
Shenzhen Yueding Precise Machinery Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	1.9	1.9	0.01%			Bank transfer or bank acceptance bill	1.9		
Guangdong	Under same	Purchasing	Purchase of	Market price	469.45	469.45	0.16%	2,773	No	Bank transf	469.45	January 24,	www.cninfo

Fenghua Advanced Technology Holding Co., Ltd.	actual controller	products/receiving labor service from related party	materials							er or bank acceptance bill		2026	.com.cn
Guangdong Rising Catering Service Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	316.45	316.45	1.39%			Bank transfer or bank acceptance bill	316.45		
Guangdong Rising Urban Services Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	28.96	28.96	0.13%	1,360	No	Bank transfer or bank acceptance bill	28.96	January 24, 2026	www.cninfo.com.cn
Guangdong Rising Cultural Industry Development Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	12.98	12.98	0.06%			Bank transfer or bank acceptance bill	12.98		
Guangdong Rising Cultural Industry Devel	Under same actual controller	Purchasing products/receiving labor servi	Purchase of materials	Market price	2.4	2.4	0.00%			Bank transfer or bank acceptance bill	2.4		

opment Co., Ltd.		ce from related party											
Ramada Pearl Hotel Guangzhou	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	0.27	0.27	0.00%			Bank transfer or bank acceptance bill	0.27		
Guangzhou Changjian Real Estate Management Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	0.23	0.23	0.00%			Bank transfer or bank acceptance bill	0.23		
Guangdong Xintao Microelectronics Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Selling products	Market price	23.4	23.4	0.01%	237	No	Bank transfer or bank acceptance bill	23.4	January 24, 2026	www.cninfo.com.cn
Guangdong Xintao Microelectronics Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Providing labor service	Market price	19.22	19.22	0.09%			Bank transfer or bank acceptance bill	19.22		
Guangdong Rising	Under same actual	Selling produ	Providing labor service	Market price	11.97	11.97	0.06%			Bank transfer or	11.97		

Catering Service Co., Ltd.	controller	cts/providing labor service to related party								bank acceptance bill			
Guangdong Rising Holdings Group Co., Ltd.	Actual controller of the Company	Selling products/providing labor service to related party	Selling products	Market price	9.28	9.28	0.00%			Bank transfer or bank acceptance bill	9.28		
Guangzhou Wanshun Investment Management Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Selling products	Market price	5.96	5.96	0.00%			Bank transfer or bank acceptance bill	5.96		
Guangdong Yixin Changcheng Construction Group Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Selling products	Market price	2.95	2.95	0.00%			Bank transfer or bank acceptance bill	2.95		
Guangdong Rising Catering Service Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Selling products	Market price	2.62	2.62	0.00%			Bank transfer or bank acceptance bill	2.62		
Guang	Under	Sellin	Selling	Marke	0.67	0.67	0.00%			Bank	0.67		

dong Rising Cultural Industry Development Co., Ltd.	same actual controller	g products/providing labor service to related party	products	t price						transfer or bank acceptance bill			
Guangdong Rising Cultural Industry Development Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Providing labor service	Market price	0.66	0.66	0.00%			Bank transfer or bank acceptance bill	0.66		
Guangdong Fenghua Advanced Technology Holding Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Selling products	Market price	626.28	626.28	0.15%	1,050	No	Bank transfer or bank acceptance bill	626.28	January 24, 2026	www.cninfo.com.cn
Prosperity Lamps & Components Ltd.	Shareholder that holds over 5% shares of the Company	Selling products/providing labor service to related party	Selling products	Market price	482.95	482.95	0.12%	1,110	No	Bank transfer or bank acceptance bill	482.95	January 24, 2026	www.cninfo.com.cn
Traxon Technologies Limited	Enterprise controlled by the Company's related individual	Selling products/providing labor service to related	Selling products	Market price	11.21	11.21	0.00%			Bank transfer or bank acceptance bill	11.21		

		party											
Prosperity (China) Electrical Company Limited	Enterprise controlled by the Company's related individual	Selling products/providing labor service to related party	Selling products	Market price	0.21	0.21	0.00%			Bank transfer or bank acceptance bill	0.21		
Primatronix Nanho Technology Ltd.	Under same actual controller	Selling products/providing labor service to related party	Selling products	Market price	96.32	96.32	0.02%			Bank transfer or bank acceptance bill	96.32		
Guangdong Electronics Information Industry Group Ltd.	Under same actual controller	Selling products/providing labor service to related party	Selling products	Market price	84.15	84.15	0.02%	1,040	No	Bank transfer or bank acceptance bill	84.15	January 24, 2026	www.cninfo.com.cn
Guangdong Rising Digital Technology Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Selling products	Market price	8.13	8.13	0.00%			Bank transfer or bank acceptance bill	8.13		
Guangdong Huajian Enterprise Group Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service	Receiving labor service	Market price	358.86	358.86	1.57%		No	Bank transfer or bank acceptance bill	358.86	October 11, 2022	www.cninfo.com.cn

		from related party											
Guangdong Huajian Enterprise Group Co., Ltd.	Under same actual controller	Selling products/providing labor service to related party	Providing labor service	Market price	596.33	596.33	2.89%		No	Bank transfer or bank acceptance bill	596.33	October 11, 2022	www.cninfo.com.cn
Total				--	--	4,620.23	--	13,070	--	--	--	--	--
Large-amount sales return in detail				None									
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period				The Company calculated the aggregate amount of its continuing related-party transactions in H1 2026 with related parties including Fenghua Advanced Technology and its majority-owned subsidiaries, Rising Real Estate and its majority-owned subsidiaries, Rising Group and its subsidiaries, Huajian Group and its majority-owned subsidiaries, and Prosperity and its majority-owned subsidiaries. In terms of purchases from related parties, the actual transaction amount for H1 2026 was RMB26,379,200 (excluding RMB3,588,600 of related-party transactions arising from public bidding), representing 23.42% of the forecasted amount for the year; and in terms of sales to related parties, the actual transaction amount for H1 2026 was RMB19,823,100 (excluding RMB5,963,300 of related-party transactions arising from public bidding), accounting for 40.33% of the forecasted amount for the year.									

2. Related-Party Transactions Regarding Purchase or Sales of Assets or Equity Interests

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

3. Related-Party Transactions Regarding Joint Investments in Third Parties

☑ Applicable □ Not applicable

Co-investor	Relationship with the Company	Name of the investee	Principal operations of the investee	Registered capital of the investee	Total assets of the investee (RMB'0,000)	Equity of the investee (RMB'0,000)	Net profit of the investee (RMB'0,000)
Guangdong Rising Holdings Group Co., Ltd., Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd., Guangdong Fenghua Advanced Technology Holding Co., Ltd., and Dongjiang Environmental Company Limited	The Company's controlling shareholder and its majority-owned subsidiaries	Guangdong Embodied Intelligence Technology Co., Ltd.	Operations related to embodied AI training grounds and others	RMB300 million	17,400.34	17,310.08	-690.14

On December 23, 2025, the Company participated in the capital increase and share expansion project of Guangdong Embodied Intelligence Technology Co., Ltd. through public bidding. On February 4, 2026, the Company subscribed to the aforesaid capital increase with its own funds in the amount of RMB15 million. Following completion of the capital increase, the Company holds a 5% equity interest in Guangdong Embodied Intelligence Technology Co., Ltd.

4. Amounts Due to and from Related Parties

☑ Applicable □ Not applicable

Non-operating amounts due to and from related parties or not

□ Yes ☑ No

No such cases during the Reporting Period.

5. Transactions with Related Finance Companies

☑ Applicable □ Not applicable

Deposit business:

Related party	Relationship with the Company	Daily maximum limits (RMB'0,000)	Interest rate range	Opening balance (RMB'0,000)	Actual amount during the period		Closing balance (RMB'0,000)
					Total deposited in (RMB'0,000)	Total withdrawn (RMB'0,000)	
Guangdong Rising Finance Co., Ltd.	Under same controlling shareholder	170,000	0.10%-2.40%	133,115.28	456,487.21	451,056.98	138,545.51

Loan business:

Related party	Relationship with the Company	Loan limit (RMB'0,000)	Interest rate range	Opening balance (RMB'0,000)	Actual amount during the period		Closing balance (RMB'0,000)
					Total loans (RMB'0,000)	Total repayment (RMB'0,000)	
Guangdong Rising Finance Co., Ltd.	Under same controlling shareholder	200,000	2.15%-2.25%	2,000.00	3,444.62	2,000.00	3,444.62

Credit or other financial business:

Related party	Relationship with the Company	Type of business	Total amount (RMB'0,000)	Actual amount (RMB'0,000)
Guangdong Rising Finance Co., Ltd.	Under same actual controller	Credit granting	200,000	3,444.62

6. Transactions with Related Parties by Finance Company Controlled by the Company

□ Applicable ☑ Not applicable

The Company has no controlled finance companies.

7. Other Major Related-Party Transactions

☑ Applicable □ Not applicable

Details of major infrastructure related-party transactions:

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction amount (RMB'0,000)	Method of settlement	Date of disclosure	Index to disclosed information
Guangdong Zhongren Group Construction Co., Ltd.	Under same actual controller	Purchasing products/receiving labor service from related party	Receiving labor service	Market price	1,763.21	Bank transfer or bank acceptance bill	December 1, 2020	www.cninfo.com.cn (announcement of subsidiary NationStar Optoelectronics)

Index to the current announcement about the said related-party transaction disclosed:

Title of announcement	Date of disclosure	Disclosure website
Announcement on a Related-Party Transaction Due to a Call for Public Bids	December 1, 2020	www.cninfo.com.cn (announcement of subsidiary NationStar Optoelectronics)

XII Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

☑ Applicable □ Not applicable

Explanation of the entrustment:

On June 14, 2022, and June 30, 2022, the Company held the 32nd meeting of the 9th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders of 2022, respectively. The meetings reviewed and approved the Proposal for the Public Bid of the Operation, Leasing and Property Management Services for Kelian Building, agreeing to publicly bid out the operation, leasing and property management services for Kelian Building, an investment property, to be outsourced to a third-party operator. The Company's majority-owned subsidiary, Foshan Keliang New Energy Industry Technology Co., Ltd. (hereinafter referred to as "Foshan Kelian"), was authorized to manage this process. For more details, please refer to the Announcement on the Public Tender of Kelian Building Operation, Leasing and Property Management Services by the Majority-Owned Subsidiary disclosed on June 15, 2022, on the www.cninfo.com.cn. After the public bidding process, Guangdong Huajian Enterprise Group Co., Ltd. (hereinafter referred to as "Huajian Group") was selected as the winning bidder in October 2022. For more information, please refer to the Announcement on a Related-Party Transaction Due to a Call for Public Bids disclosed on October 11, 2022, on the www.cninfo.com.cn.In April 2023, Foshan Kelian signed the Kelian Building Operation and Leasing Service Contract with Huajian Group, entrusting Huajian Group with the operation and leasing of 70,340.04 square meters of property, including the industrial (R&D center) space in Building 1, commercial (service apartments), commercial (shops), and part of the underground parking lot. The operation and leasing service period is ten years, starting from January 1, 2025.

Projects that resulted in profits or losses exceeding 10% of the Company's total profit during the Reporting Period :

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

(2) Contracting

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

(3) Leases

☑ Applicable □ Not applicable

Notes to leases:

The significant lease matters of the Company during the Reporting Period are as follows:

Name of lessor	Name of lessee	Status of leased assets	Lease amount	Date of commencement of lease	Date of expiry of lease	Purpose
Guangdong Rising Holdings Group Co., Ltd.	FSL	54/F, Guangdong Rising International Tower	Rent-free period: Two months; from November 10, 2024 to September 9, 2026, the monthly rent is RMB293,144.02; from September 10, 2026 to September 9, 2027, the monthly rent is RMB307,801.22.	September 10, 2024	September 9, 2027	Office
Guangdong Rising Holdings Group Co., Ltd.	NationStar Optoelectronics	Self-numbered 01, 50/F, Guangdong Rising International Tower	RMB1,296,000.00/year	September 10, 2024	September 9, 2027	Office
Suzhou Xiangcheng High-tech Industrial Development Co., Ltd.	Liaowang Auto Lamp (Suzhou) Co., Ltd.	5# Workshop, 100 Wulingqiao Road, Huangdai Town, Xiangcheng District, Suzhou	From December 15, 2024 to December 14, 2027, the annual rent is RMB5,093,326.08; from December 15, 2027 to December 14, 2029, the annual rent is RMB4,138,327.44 . In the first three years, certain conditions can allow for a reduction or exemption of the annual rent. In the fourth and fifth years of the lease, meeting specific	December 15, 2024	December 14, 2029	Office & workshop

			conditions can lead to a reduction or exemption of six months' rent for that year.			

Leases with a greater-than-10% impact on the Company's gross profit during the Reporting Period:

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

2. Major guarantees

☑ Applicable □ Not applicable

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Total approved line for such guarantees provided for external parties in the Reporting Period (A1)				Total actual amount of such guarantees provided for external parties in the Reporting Period (A2)						
Total approved line for such guarantees at the end of the Reporting Period (A3)				Total actual balance of such guarantees at the end of the Reporting Period (A4)						
Guarantees provided by the Company for its subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Total approved line for such guarantees provided for subsidiaries in the Reporting Period (B1)				Total actual amount of such guarantees provided for subsidiaries in the Reporting Period (B2)						
Total approved line for such guarantees at the end of the Reporting Period (B3)				Total actual balance of such guarantees at the end of the Reporting Period (B4)						

Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Chongqing Guinuo Lighting Technology Co., Ltd.	April 25, 2025 and April 15, 2026	7,000	October 10, 2025	1,959.57	Mortgaged	Yes	None	June 23, 2025 to June 22, 2027	No	No
Zhejiang Hule Electrical Equipment Manufacturing Co., Ltd.	April 25, 2025 and April 15, 2026	2,000	August 21, 2023	1,968.14	Mortgaged	Yes	None	August 21, 2023 to August 20, 2028	No	No
Total approved line for such guarantees provided between subsidiaries in the Reporting Period (C1)		29,900		Total actual amount of such guarantees provided between subsidiaries in the Reporting Period (C2)		3,927.71				
Total approved line for such guarantees at the end of the Reporting Period (C3)		29,900		Total actual balance of such guarantees at the end of the Reporting Period (C4)		3,927.71				
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)		29,900		Total actual guarantee amount in the Reporting Period (A2+B2+C2)		3,927.71				
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)		29,900		Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)		3,927.71				
Total guarantee balance (A4+B4+C4) as % of the Company's equity				0.58%						

Compound guarantees:

None.

Other notes: As at June 30, 2026, guarantees between Liaowang Auto Lamp and its subsidiaries and collaterals are set out in "3. Other Information" under XVI in Part VIII of this Report.

3. Cash Entrusted for Wealth Management

☑ Applicable □ Not applicable

Unit: RMB’0,000

Product category	Risk characteristics	Balance of cash entrusted for wealth management at the period-end	Unrecovered overdue amount
Other	low risk	170,343.02	0

Asset management conducted by financial institutions under entrustment of the Company as the sole client, or high-risk wealth management with low security or low liquidity:

☑ Applicable □ Not applicable

Unit: RMB’0,000

Trustee	Type of trustee	Risk characteristics	Product category	Amount	Start date	End date	Use of capital	Actual gain/loss during the period	Recovery of such gain/loss	Index to overview and other information (if any)
Foshan Branch of Bank of Communications	Bank	Low risk	Large-denomination certificate of deposit	5,000	August 31, 2023	August 31, 2026	Other	72.9	To be recovered	http://www.cninfo.com.cn/: Announcement No. 2023-007 on Entrustment of Some Idle Funds for Wealth Management; Announcement No. 2024-005 on Using Partial Idle Raised Funds for Cash Management; Announcement No. 2024-017 on Entrustment of Some Idle Funds for Wealth Management;
Guangzhou Branch of China Everbright Bank	Bank	Low risk	Large-denomination certificate of deposit	10,000	November 3, 2023	November 3, 2026	Other	143.81	To be recovered	
Foshan Hujing Sub-branch of Bank of GuangZhou	Bank	Low risk	Large-denomination certificate of deposit	15,000	December 1, 2023	December 1, 2026	Other	219.43	To be recovered	
Foshan Hujing Sub-	Bank	Low risk	Large-deno	21,200	February 5, 2024	February 5, 2027	Other	289.1	To be recovered	

branch of Bank of GuangZhou			mination certificate of deposit							Announcement No. 2025-010 on Entrustment of Some Idle Funds for Wealth Management; Announcement No. 2025-020 on the Signing of a Financial Service Agreement with Guangdong Rising Finance Co., Ltd.; Announcement No. 2025-060 on Using Partial Idle Raised Funds for Cash Management; Announcement No. 2026-002 on Entrustment of Some Idle Funds for Wealth Management; Announcement No. 2026-016 on the Signing of a Financial Service Agreement with Guangdong Rising Finance Co., Ltd.
Guangzhou Branch of China Everbright Bank	Bank	Low risk	Large-denomination certificate of deposit	5,500	February 5, 2024	February 5, 2027	Other	70.91	To be recovered	
Foshan Branch of Huaxia Bank	Bank	Low risk	Large-denomination certificate of deposit	14,300	February 5, 2024	February 5, 2027	Other	184.37	To be recovered	
Foshan Branch of China Merchants Bank	Bank	Low risk	Large-denomination certificate of deposit	5,200	February 5, 2024	February 5, 2027	Other	72.53	To be recovered	
Luso International Banking Limited Guangzhou Branch	Bank	Low risk	Large-denomination certificate of deposit	12,100	May 28, 2026	November 28, 2026	Other	19.72	To be recovered	
Luso International Banking Limited Guangzhou Branch	Bank	Low risk	Term deposit	35.31	May 28, 2026	November 28, 2026	Other	0.06	To be recovered	
Rising Finance	Other professional wealth managem	Low risk	Term deposit	500	July 17, 2025	July 17, 2026	Other	3.36	To be recovered	

	ent institution									
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	2,000	March 31, 2026	September 30, 2026	Other	10.11	To be recovered	
Foshan Branch of China Merchants Bank	Bank	Low risk	Term deposit	120	July 2, 2025	July 2, 2026	Other	0.57	To be recovered	
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	1,500	March 4, 2026	September 4, 2026	Other	9.62	To be recovered	
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	1,500	April 7, 2026	July 7, 2026	Other	6.24	To be recovered	
Guangzhou Airport Sub-branch of SPD Bank	Bank	Low risk	Term deposit	2,000	March 10, 2026	September 9, 2026	Other	7.36	To be recovered	
Guangzhou Airport Sub-branch of SPD Bank	Bank	Low risk	Term deposit	100	April 23, 2026	July 23, 2026	Other	0.19	To be recovered	
Guangzhou Airport Sub-branch of SPD Bank	Bank	Low risk	Term deposit	501	June 6, 2026	September 6, 2026	Other	0.33	To be recovered	
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	1,000	March 30, 2026	September 30, 2026	Other	5.04	To be recovered	
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	1,100	April 16, 2026	October 16, 2026	Other	4.52	To be recovered	
Rising Finance	Other professional wealth management ent	Low risk	Term deposit	1,100	April 16, 2026	October 16, 2026	Other	4.52	To be recovered	

	institution									
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	400	May 12, 2026	November 12, 2026	Other	1.07	To be recovered	
Foshan Branch of Huaxia Bank	Bank	Low risk	Large-denomination certificate of deposit	15,000	March 8, 2024	March 8, 2027	Other	193.4	To be recovered	
Foshan Branch of China Merchants Bank	Bank	Low risk	Large-denomination certificate of deposit	3,500	March 29 , 2024	March 29 , 2027	Other	45.13	To be recovered	
Foshan Branch of China Merchants Bank	Bank	Low risk	Large-denomination certificate of deposit	3,000	April 30, 2024	April 30, 2027	Other	38.68	To be recovered	
Foshan Branch of Guangdong Huaxing Bank	Bank	Low risk	Large-denomination certificate of deposit	10,000	January 9, 2026	January 8, 2029	Other	94.79	To be recovered	
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	5,000	March 10, 2026	September 10, 2026	Other	30.96	To be recovered	
Rising Finance	Other professional wealth managem	Low risk	Term deposit	10,000	March 25, 2026	September 25, 2026	Other	53.7	To be recovered	

	ent institution									
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	2,000	April 23, 2026	July 23, 2026	Other	6.81	To be recovered	
Foshan Branch of Industrial and Commercial Bank of China	Bank	Low risk	Term deposit	681.09	April 29, 2026	July 29, 2026	Other	4.33	To be recovered	
Foshan Branch of Industrial and Commercial Bank of China	Bank	Low risk	Term deposit	681.09	April 29, 2026	August 29, 2026	Other	4.33	To be recovered	
Foshan Branch of Industrial and Commercial Bank of China	Bank	Low risk	Term deposit	681.09	April 29, 2026	September 29, 2026	Other	4.33	To be recovered	
Foshan Branch of Industrial and Commercial Bank of China	Bank	Low risk	Term deposit	4,427.09	April 29, 2026	December 29, 2026	Other	28.19	To be recovered	
Rising Finance	Other professional wealth management institution	Low risk	Term deposit	5,000	June 24, 2026	June 24, 2027	Other	2.3	To be recovered	
Foshan Branch of Bank of China	Bank	Low risk	Term deposit	10,216.35	June 24, 2026	July 24, 2026	Other	7.12	To be recovered	
Total				170,343.02	--	--	--	1,639.83	--	--

4. Other Significant Contracts

□ Applicable ☑ Not applicable

No such cases during the Reporting Period.

XIII Communications with the Investment Community such as Researches, Inquiries and Interviews

☑ Applicable □ Not applicable

Date	Place	Way of communication	Type of visitor	Visitor	Main discussions and materials provided	Index to communication information
May 15, 2026	www.p5w.net	Through an online platform	Other	Online investors	Investor Relations Activities Log Sheet No. 2026-01	Investor Relations Activities Log Sheet No. 2026-01 disclosed by the Company on www.cninfo.com.cn on May 15, 2026

XIV Other Significant Events

☑ Applicable □ Not applicable

The Company’s majority-owned subsidiary, Foshan NationStar Optoelectronics Co., Ltd. (stock name: NationStar Optoelectronics, stock code: 002449), plans to issue no more than 185,543,150 A-shares (inclusive) to specific entities, raising a total of no more than RMB970.1239 million (inclusive). The raised funds will be used for the “Ultra-High Definition Display Mini/Micro LED and Display Module Production Project”, “Optoelectronic Sensing and Smart Health Devices Industrialization Project”, “Smart Home Display and Mini Backlight Module Project”, “Smart Automotive Components and Applications Project”, “NationStar Optoelectronics R&D Laboratory Project”, and “Supplementing Working Capital”. The Company plans to use its own funds (excluding the raised funds) to subscribe to the A-shares issued by NationStar Optoelectronics to specific entities, with an investment amount of RMB116 million. The final number of shares subscribed will be determined based on Nationstar Optoelectronics’ actual issue price. On May 14, 2026, the application of NationStar Optoelectronics for the issuance of shares to specific entities obtained the official registration approval issued by the China Securities Regulatory Commission (CSRC). For more details, please refer to announcements including the Announcement on Participating in the Subscription for A-shares Issued by the Majority-Owned Subsidiary, NationStar Optoelectronics, to Specific Entities in 2025 disclosed by the Company on July 11, 2025 on www.cninfo.com.cn, as well as the Prospectus for the Issuance of A-Shares to Specific Entities (Registration

Version) and the Announcement on the Receipt of Registration Approval from the China Securities Regulatory Commission for the Application for Issuance of Shares to Specific Entities disclosed by NationStar Optoelectronics on May 19, 2026 on www.cninfo.com.cn.

XV Significant Events of Subsidiaries

☑ Applicable □ Not applicable

1. NationStar Optoelectronics' plan to issue A-shares to specific entities

To seize industry development opportunities, optimize its product structure, increase its technological reserves, enhance its R&D capabilities, and further strengthen its core competitiveness and sustainable development capacity, NationStar Optoelectronics plans to issue no more than 185,543,150 A-shares (inclusive) to specific entities. The total amount of raised funds will not exceed RMB970.1239 million (inclusive), which will be used for the "Ultra-High Definition Display Mini/Micro LED and Display Module Production Project", "Optoelectronic Sensing and Smart Health Devices Industrialization Project", "Smart Home Display and Mini Backlight Module Project", "Smart Automotive Components and Applications Project", "NationStar Optoelectronics R&D Laboratory Project", and "Supplementing Working Capital". On May 14, 2026, the application of NationStar Optoelectronics for the issuance of shares to specific entities obtained the official registration approval issued by the China Securities Regulatory Commission (CSRC). For more details, please refer to announcements including the Prospectus for the Issuance of A-Shares to Specific Entities (Registration Version) and the Announcement on the Receipt of Registration Approval from the China Securities Regulatory Commission for the Application for Issuance of Shares to Specific Entities disclosed by NationStar Optoelectronics on May 19, 2026 on www.cninfo.com.cn.

Part VI Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease during the period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	10,537,802	0.69%	0	0	0	-24,885	-24,885	10,512,917	0.68%
1.1 Shares held by state	0	0.00%	0	0	0	0	0	0	0.00%
1.2 Shares held by state-owned legal persons	1	0.00%	0	0	0	0	0	1	0.00%
1.3 Shares held by other domestic investors	1,610,169	0.10%	0	0	0	-24,885	-24,885	1,585,284	0.10%
Among which: Shares held by domestic legal persons	1,338,434	0.09%	0	0	0	0	0	1,338,434	0.09%
Shares held by domestic natural persons	271,735	0.02%	0	0	0	-24,885	-24,885	246,850	0.02%
1.4 Shares held by foreign investors	8,927,632	0.58%	0	0	0	0	0	8,927,632	0.58%
Among which: Shares held by foreign legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural persons	8,927,632	0.58%	0	0	0	0	0	8,927,632	0.58%

2. Unrestricted shares	1,525,240,428	99.31%	0	0	0	24,885	24,885	1,525,265,313	99.32%
2.1 RMB-denominated ordinary shares	1,230,494,822	80.12%	0	0	0	24,885	24,885	1,230,519,707	80.12%
2.2 Domestically listed foreign shares	294,745,606	19.19%	0	0	0	0	0	294,745,606	19.19%
2.3 Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
2.4 Other	0	0.00%	0	0	0	0	0	0	0.00%
3. Total shares	1,535,778,230	100.00%	0	0	0	0	0	1,535,778,230	100.00%

Reasons for share changes:

☑ Applicable □ Not applicable

In accordance with the relevant provisions of the Shenzhen Stock Exchange governing the shareholding changes of directors and senior management, the number of restricted shares of the Company decreased by24,885 shares during the Reporting Period due to the resignation of certain former supervisors and senior management.

Approval of share changes:

□ Applicable ☑ Not applicable

Transfer of share ownership:

□ Applicable ☑ Not applicable

Progress on any share repurchases:

□ Applicable ☑ Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

□ Applicable ☑ Not applicable

Effects of share changes on the basic and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

□ Applicable ☑ Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

□ Applicable ☑ Not applicable

2. Changes in Restricted Shares

☑ Applicable □ Not applicable

Unit: share

Name of shareholder	Opening restricted shares	Restricted shares unlocked during the period	Increase in restricted shares during the period	Closing restricted shares	Reason for restriction	Date of unlocking
Zhang Yong	77,596	19,400	0	58,196	Restricted shares of former directors, supervisors and senior management	Subject to rules governing restricted shares for directors, supervisors and senior management
Tang Qionglan	75,940	18,985	0	56,955	Restricted shares of former directors, supervisors and senior management	Subject to rules governing restricted shares for directors, supervisors and senior management
Zhang Xiubo	0	0	13,500	13,500	Restricted shares of former directors, supervisors and senior management	Subject to rules governing restricted shares for directors, supervisors and senior management
Total	153,536	38,385	13,500	128,651	--	--

II Issuance and Listing of Securities

□ Applicable ☑ Not applicable

III Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders at the period-end	78,386	Number of preference shareholders with resumed voting rights at the period-end (if any) (see note 8)	0

5% or greater shareholders or top 10 shareholders (exclusive of shares lent in refinancing)								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge, marked or frozen	
							Status	Shares
Hong Kong Wah Shing Holding Company Limited	Overseas corporation	12.85%	197,338,980	0	0	197,338,980	N/A	0
Prosperity Lamps &	Overseas corporation	9.57%	146,934,857	0	0	146,934,857	N/A	0

Components Limited								
Guangdong Electronics Information Industry Group Ltd.	State-owned corporation	9.35%	143,623,846	0	0	143,623,846	N/A	0
Guangdong Rising Holdings Group Co., Ltd.	State-owned corporation	8.45%	129,826,793	0	0	129,826,793	N/A	0
SDIC Securities (Hong Kong) Limited (formerly SDICS International Securities (Hong Kong) Limited)	Overseas corporation	1.69%	25,981,530	0	0	25,981,530	N/A	0
Rising Investment Development Limited	Overseas corporation	1.66%	25,482,252	0	0	25,482,252	N/A	0
Zhang Shaowu	Domestic individual	1.11%	17,000,000	0	0	17,000,000	N/A	0
Zhuang Jianyi	Overseas individual	0.78%	11,903,509	0	8,927,632	2,975,877	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas corporation	0.47%	7,159,239	-803,116	0	7,159,239	N/A	0
Zhu Shangming	Domestic individual	0.44%	6,780,000	-143,217	0	6,780,000	N/A	0

Strategic investor or general corporation becoming a top-10 shareholder in a rights issue (if any) (see note 3)	None
Related or acting-in-concert parties among the shareholders above	Among the top 10 shareholders, Hong Kong Wah Shing Holding Company Limited, Guangdong Electronics Information Industry Group Ltd., Guangdong Rising Holdings Group Co., Ltd. and Rising Investment Development Limited are acting-in-concert parties; Prosperity Lamps & Components Limited and Zhuang Jianyi are acting-in-concert parties. Apart from that, it is unknown whether there is among the top 10 shareholders any other related parties or acting-in-concert parties as defined in the Administrative Measures for the Acquisition of Listed Companies.
Shareholders above entrusting/entrusted with or waiving voting rights	None
Repurchased share account (if any) among the top 10 shareholders (see note 11)	None

Top 10 unrestricted shareholders (exclusive of shares lent in refinancing and locked shares of senior management)			
Name of shareholder	Unrestricted shares held at the period-end	Shares by class	
		Class	Shares
Hong Kong Wah Shing Holding Company Limited	197,338,980	RMB-denominated ordinary stock	188,496,430
		Domestically listed overseas stock	8,842,550
Prosperity Lamps & Components Limited	146,934,857	RMB-denominated ordinary stock	146,934,857
Guangdong Electronics Information Industry Group Ltd.	143,623,846	RMB-denominated ordinary stock	143,623,846
Guangdong Rising Holdings Group Co., Ltd.	129,826,793	RMB-denominated ordinary stock	129,826,793
SDIC Securities (Hong Kong) Limited (formerly SDICS International Securities (Hong Kong) Limited)	25,981,530	Domestically listed overseas stock	25,981,530
Rising Investment Development Limited	25,482,252	Domestically listed overseas stock	25,482,252
Zhang Shaowu	17,000,000	RMB-denominated ordinary stock	17,000,000
Hong Kong Securities Clearing Company Limited	7,159,239	RMB-denominated ordinary stock	7,159,239
Zhu Shangming	6,780,000	RMB-denominated ordinary stock	6,780,000
Liu Wei	4,830,035	Domestically listed overseas stock	4,830,035
Related or acting-in-concert parties among the top 10 unrestricted shareholders, as well as between the top 10 unrestricted shareholders and the top 10 shareholders	Among the top 10 unrestricted shareholders, Hong Kong Wah Shing Holding Company Limited, Guangdong Electronics Information Industry Group Ltd., Guangdong Rising Holdings Group Co., Ltd. and Rising Investment Development Limited are acting-in-concert parties. Apart from that, it is unknown whether there is among the top 10 shareholders any other related parties or acting-in-concert parties as defined in the Administrative Measures for the Acquisition of Listed Companies.		
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	None		

5% or greater shareholders, top 10 shareholders and top 10 unrestricted public shareholders involved in refinancing shares lending:

□ Applicable ☑ Not applicable

Changes in top 10 shareholders and top 10 unrestricted public shareholders due to refinancing shares lending/return compared with the prior period:

□ Applicable ☑ Not applicable

Indicate whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

□ Yes ☑ No

No such cases during the Reporting Period.

IV Change in Shareholdings of Directors and Senior Management

□ Applicable ☑ Not applicable

No changes occurred to the shareholdings of the directors and senior management in the Reporting Period. See Annual Report 2025 for more details.

V Change of the Controlling Shareholder or the Actual Controller

If the Company previously disclosed that the actual controller plans a change of control which has not yet been finalized, please elaborate on the latest progress of such change of control arrangement.

□ Applicable ☑ Not applicable

Change of the controlling shareholder in the Reporting Period

□ Applicable ☑ Not applicable

No such cases in the Reporting Period.

Change of the actual controller in the Reporting Period

□ Applicable ☑ Not applicable

No such cases in the Reporting Period.

VI Preference Shares

□ Applicable ☑ Not applicable

No preference shares during the Reporting Period.

Part VII Bonds

□ Applicable ☑ Not applicable

Part VIII Financial Statements

I Auditor's Report

Indicate whether the interim financial statements have been audited by an independent auditor.

□ Yes ☑ No

The interim financial statements are unaudited by an independent auditor.

II Financial Statements

Currency unit for the financial statements and the notes thereto: RMB

1. Consolidated Balance Sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

June 30, 2026

Unit: RMB

Item	June 30, 2026	January 1, 2026
Current assets:		
Monetary assets	2,393,469,742.64	3,455,743,091.17
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	2,106,282.55	2,768,997.33
Derivative financial assets		
Notes receivable	753,261,897.52	732,835,152.15
Accounts receivable	2,085,974,309.71	2,173,325,283.78
Accounts receivable financing	467,728,813.47	415,949,788.02
Prepayments	43,352,197.05	49,790,049.31
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	51,718,835.85	82,678,537.89
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	2,341,737,044.79	2,163,660,652.65
Including: Data resources		
Contract assets	225,336.26	450,672.52
Assets held for sale		
Current portion of non-current assets	1,042,833,211.63	429,862,721.67

Other current assets	716,647,857.85	221,586,381.03
Total current assets	9,899,055,529.32	9,728,651,327.52
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments	100,947,945.20	720,083,694.31
Long-term receivables		
Long-term equity investments	185,497,823.30	184,806,652.92
Other equity investments	457,691,201.25	471,794,043.90
Other non-current financial assets		
Investment property	800,948,005.13	810,582,038.87
Fixed assets	3,504,249,535.77	3,586,917,576.90
Construction in progress	250,251,499.08	223,949,659.06
Productive living assets		
Oil and gas assets		
Right-of-use assets	17,967,235.72	23,771,544.09
Intangible assets	399,102,087.19	383,525,440.66
Including: Data resources		
Development costs		
Including: Data resources		
Goodwill	245,346,155.52	245,346,155.52
Long-term prepaid expense	362,934,372.98	335,938,420.48
Deferred income tax assets	140,479,625.48	144,164,584.33
Other non-current assets	245,702,277.33	307,714,497.11
Total non-current assets	6,711,117,763.95	7,438,594,308.15
Total assets	16,610,173,293.27	17,167,245,635.67
Current liabilities:		
Short-term borrowings	581,589,947.26	635,015,074.86
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities	441,690.00	
Derivative financial liabilities		
Notes payable	1,994,470,163.70	2,179,070,444.41
Accounts payable	2,310,647,251.69	2,443,871,780.95
Advances from customers	303,123.79	328,004.34
Contract liabilities	101,215,408.89	140,787,246.73
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		

Employee benefits payable	149,232,052.39	167,248,995.64
Taxes payable	56,611,646.83	91,181,551.13
Other payables	334,721,375.64	372,152,039.73
Including: Interest payable		
Dividends payable	17,174,211.40	
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	103,993,780.96	131,296,264.00
Other current liabilities	162,099,708.78	81,286,297.53
Total current liabilities	5,795,326,149.93	6,242,237,699.32
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	179,420,949.27	192,915,075.78
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	11,035,419.40	15,354,724.02
Long-term payables		
Long-term employee benefits payable		
Provisions	18,892,687.04	17,991,357.40
Deferred income	109,623,697.98	116,931,745.07
Deferred income tax liabilities	142,483,986.65	150,196,615.46
Other non-current liabilities	107,831.23	107,831.23
Total non-current liabilities	461,564,571.57	493,497,348.96
Total liabilities	6,256,890,721.50	6,735,735,048.28
Owners' equity:		
Share capital	1,535,778,230.00	1,535,778,230.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	843,412,968.15	843,517,955.90
Less: Treasury stock		
Other comprehensive income	197,635,728.60	227,147,391.31
Specific reserve	5,135,099.20	3,436,494.07
Surplus reserves	189,358,133.42	189,358,133.42
General reserve		
Retained earnings	4,000,499,026.02	4,035,582,297.14
Total equity attributable to owners of the parent company	6,771,819,185.39	6,834,820,501.84

Non-controlling interests	3,581,463,386.38	3,596,690,085.55
Total owners' equity	10,353,282,571.77	10,431,510,587.39
Total liabilities and owners' equity	16,610,173,293.27	17,167,245,635.67

Legal representative: Yu Zhongmin

Person in charge of accounting work: Li Zehua

Person in charge of the accounting department: Li Yizhi

2. Balance Sheet of the Parent Company

Unit: RMB

Item	June 30, 2026	January 1, 2026
Current assets:		
Monetary assets	1,048,689,839.26	1,354,400,356.07
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	39,956,359.01	33,202,567.04
Accounts receivable	745,340,102.97	757,126,588.99
Accounts receivable financing	49,463,469.06	29,172,106.24
Prepayments	11,290,444.29	7,277,923.25
Other receivables	916,781,984.89	1,044,883,403.20
Including: Interest receivable		
Dividends receivable		
Inventories	279,610,946.88	220,389,239.43
Including: Data resources		
Contract assets	225,336.26	450,672.52
Assets held for sale		
Current portion of non-current assets	785,326,339.57	270,515,498.49
Other current assets	441,734,130.83	5,407,515.23
Total current assets	4,318,418,953.02	3,722,825,870.46
Non-current assets:		
Debt investments		
Other debt investments	100,947,945.20	625,345,689.25
Long-term receivables		
Long-term equity investments	2,445,060,489.42	2,444,369,319.04
Other equity investments	407,408,657.45	421,511,500.10
Other non-current financial assets		
Investment property	175,395,333.64	180,291,877.15
Fixed assets	565,396,796.14	568,691,612.66
Construction in progress	31,980,968.79	5,598,939.90
Productive living assets		
Oil and gas assets		
Right-of-use assets	9,380,351.91	5,110,635.01

Intangible assets	57,437,614.68	59,201,009.37
Including: Data resources		
Development costs		
Including: Data resources		
Goodwill		
Long-term prepaid expense	21,779,743.57	27,595,661.99
Deferred income tax assets	33,124,914.46	35,139,464.32
Other non-current assets	218,087,289.27	223,815,163.18
Total non-current assets	4,066,000,104.53	4,596,670,871.97
Total assets	8,384,419,057.55	8,319,496,742.43
Current liabilities:		
Short-term borrowings	118,913,127.90	182,549,560.55
Held-for-trading financial liabilities	441,690.00	
Derivative financial liabilities		
Notes payable	777,385,318.29	579,751,378.73
Accounts payable	886,956,004.41	790,542,018.91
Advances from customers		
Contract liabilities	42,009,898.34	58,106,760.51
Employee benefits payable	45,537,618.12	50,035,740.83
Taxes payable	16,865,718.29	11,014,777.31
Other payables	307,680,236.44	362,102,666.77
Including: Interest payable		
Dividends payable	15,183,661.90	
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	9,240,026.40	3,212,484.76
Other current liabilities	32,030,311.77	26,128,291.20
Total current liabilities	2,237,059,949.96	2,063,443,679.57
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	582,825.25	2,303,924.37
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	36,349,710.39	40,097,179.24
Other non-current liabilities		
Total non-current liabilities	36,932,535.64	42,401,103.61
Total liabilities	2,273,992,485.60	2,105,844,783.18

Owners' equity:		
Share capital	1,535,778,230.00	1,535,778,230.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	839,893,397.29	839,893,397.29
Less: Treasury stock		
Other comprehensive income	203,108,693.33	227,973,609.59
Specific reserve	1,541,353.10	522,569.87
Surplus reserves	420,662,202.66	420,662,202.66
Retained earnings	3,109,442,695.57	3,188,821,949.84
Total owners' equity	6,110,426,571.95	6,213,651,959.25
Total liabilities and owners' equity	8,384,419,057.55	8,319,496,742.43

Legal representative: Yu Zhongmin

Person in charge of accounting work: Li Zehua

Person in charge of the accounting department: Li Yizhi

3. Consolidated Income Statement

Unit: RMB

Item	H1 2026	H1 2025
1. Revenue	4,095,104,770.43	4,385,731,119.78
Including: Operating revenue	4,095,104,770.43	4,385,731,119.78
Interest revenue		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	4,106,681,144.92	4,257,961,593.80
Including: Cost of sales	3,399,086,469.72	3,565,320,556.68
Interest costs		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net provision for insurance liabilities		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	36,877,962.90	35,195,442.18
Selling expense	183,274,789.02	182,892,072.03
Administrative expense	228,475,452.05	224,001,579.55

R&D expense	244,395,778.09	267,669,599.53
Finance costs	14,570,693.14	-17,117,656.17
Including: Interest expense	11,351,786.44	8,116,483.14
Interest income	18,626,457.67	20,148,088.69
Add: Other income	40,191,280.00	45,245,132.45
Return on investment ("-" for loss)	28,114,634.63	27,447,075.84
Including: Share of profit or loss of joint ventures and associates	691,170.38	646,719.77
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	-1,792,904.78	345,894.65
Credit impairment loss ("-" for loss)	-3,924,527.64	-12,101,495.69
Asset impairment loss ("-" for loss)	-39,884,970.01	-22,424,871.33
Asset disposal income ("-" for loss)	2,743,111.71	-64,693.00
3. Operating profit ("-" for loss)	13,870,249.42	166,216,568.90
Add: Non-operating income	10,678,496.71	2,113,315.35
Less: Non-operating expense	1,703,745.67	2,087,195.60
4. Profit before tax ("-" for loss)	22,845,000.46	166,242,688.65
Less: Income tax expense	16,220,421.54	18,318,812.92
5. Net profit ("-" for net loss)	6,624,578.92	147,923,875.73
5.1 By operating continuity		
5.1.1 Net profit from continuing operations ("-" for net loss)	6,624,578.92	147,923,875.73
5.1.2 Net profit from discontinued operations ("-" for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the parent company ("-" for net loss)	41,705,640.38	114,993,752.24
5.2.1 Net profit attributable to non-controlling interests ("-" for net loss)	-35,081,061.46	32,930,123.49
6. Other comprehensive income, net of tax	-30,765,711.16	213,491,772.64
Attributable to owners of the parent company	-29,511,662.71	213,835,708.05
6.1 Items that will not be reclassified to profit or loss	-24,864,916.26	214,283,065.88

6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of other equity investments	-24,864,916.26	214,283,065.88
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-4,646,746.45	-447,357.83
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-4,646,746.45	-447,357.83
6.2.7 Other		
Attributable to non-controlling interests	-1,254,048.45	-343,935.41
7. Total comprehensive income	-24,141,132.24	361,415,648.37
Attributable to owners of the parent company	12,193,977.67	328,829,460.29
Attributable to non-controlling interests	-36,335,109.91	32,586,188.08
8. Earnings per share		
8.1 Basic earnings per share	0.0272	0.0749
8.2 Diluted earnings per share	0.0272	0.0748

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Yu Zhongmin

Person in charge of accounting work: Li Zehua

Person in charge of the accounting department: Li Yizhi

4. Income Statement of the Parent Company

Unit: RMB

Item	H1 2026	H1 2025
1. Operating revenue	1,379,496,700.64	1,375,713,664.69
Less: Cost of sales	1,129,938,672.08	1,098,937,232.29
Taxes and surcharges	13,983,884.82	13,565,054.39
Selling expense	118,018,925.63	124,554,920.28
Administrative expense	74,476,172.63	78,778,907.88
R&D expense	55,827,049.67	63,700,067.52
Finance costs	13,629,398.82	-5,528,642.24
Including: Interest costs	1,914,559.40	860,302.39
Interest revenue	7,695,409.02	5,633,071.27
Add: Other income	2,653,805.62	3,932,905.05
Return on investment ("-" for loss)	25,542,187.77	31,566,338.46
Including: Share of profit or loss of joint ventures and associates	691,170.38	646,719.77
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	-1,130,190.00	134,700.00
Credit impairment loss ("-" for loss)	-479,040.24	-3,137,238.29
Asset impairment loss ("-" for loss)	-8,898,677.03	-8,828,838.84
Asset disposal income ("-" for loss)		
2. Operating profit ("-" for loss)	-8,689,316.89	25,373,990.95
Add: Non-operating income	10,002,776.64	26,638.49
Less: Non-operating expense	1,088,503.45	524,656.29
3. Profit before tax ("-" for loss)	224,956.30	24,875,973.15
Less: Income tax expense	2,815,299.07	-550,639.58
4. Net profit ("-" for net loss)	-2,590,342.77	25,426,612.73
4.1 Net profit from continuing operations ("-" for net loss)	-2,590,342.77	25,426,612.73
4.2 Net profit from discontinued operations ("-" for net loss)		
5. Other comprehensive income, net of tax	-24,864,916.26	214,283,065.88
5.1 Items that will not be reclassified to profit or loss	-24,864,916.26	214,283,065.88
5.1.1 Changes caused by remeasurements on defined benefit		

schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of other equity investments	-24,864,916.26	214,283,065.88
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of other debt investments		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for other debt investments		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	-27,455,259.03	239,709,678.61
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: Yu Zhongmin

Person in charge of accounting work: Li Zehua

Person in charge of the accounting department: Li Yizhi

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2026	H1 2025
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	3,845,597,497.39	4,100,249,556.88
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		

Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	81,095,038.09	88,415,257.94
Cash generated from other operating activities	78,826,438.08	98,470,018.95
Subtotal of cash generated from operating activities	4,005,518,973.56	4,287,134,833.77
Payments for commodities and services	2,979,290,624.62	3,072,000,160.70
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	775,373,509.65	793,037,980.68
Taxes paid	184,920,316.79	197,243,157.16
Cash used in other operating activities	183,137,422.95	215,008,522.28
Subtotal of cash used in operating activities	4,122,721,874.01	4,277,289,820.82
Net cash generated from/used in operating activities	-117,202,900.45	9,845,012.95
2. Cash flows from investing activities:		
Proceeds from disinvestment	241,658,273.00	386,722,784.87
Return on investment	18,114,395.33	12,193,550.27
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	8,884,051.33	43,414.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		23,042,757.16
Subtotal of cash generated from	268,656,719.66	422,002,506.30

investing activities		
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	173,500,086.71	188,617,109.18
Payments for investments	687,789,182.91	252,320,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	76,800.00	
Subtotal of cash used in investing activities	861,366,069.62	440,937,109.18
Net cash generated from/used in investing activities	-592,709,349.96	-18,934,602.88
3. Cash flows from financing activities:		
Capital contributions received	22,467,537.92	
Including: Capital contributions by non-controlling interests to subsidiaries	22,467,537.92	
Borrowings raised	194,011,449.42	63,768,004.07
Cash generated from other financing activities	153,423,890.90	35,675,972.28
Subtotal of cash generated from financing activities	369,902,878.24	99,443,976.35
Repayment of borrowings	458,696,883.36	184,157,032.76
Interest and dividends paid	85,112,466.42	30,690,680.79
Including: Dividends paid by subsidiaries to non-controlling interests	1,994,549.92	24,282,863.70
Cash used in other financing activities	2,774,547.17	16,484,020.64
Subtotal of cash used in financing activities	546,583,896.95	231,331,734.19
Net cash generated from/used in financing activities	-176,681,018.71	-131,887,757.84
4. Effect of foreign exchange rates changes on cash and cash equivalents	-22,073,526.72	2,424,112.08
5. Net increase in cash and cash equivalents	-908,666,795.84	-138,553,235.69
Add: Cash and cash equivalents, beginning of the period	2,819,359,299.72	2,684,382,020.41
6. Cash and cash equivalents, end of the period	1,910,692,503.88	2,545,828,784.72

Legal representative: Yu Zhongmin

Person in charge of accounting work: Li Zehua

Person in charge of the accounting department: Li Yizhi

6. Cash Flow Statement of the Parent Company

Unit: RMB

Item	H1 2026	H1 2025
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,188,445,554.55	1,309,774,743.22
Tax rebates	46,128,741.62	43,232,841.35
Cash generated from other operating activities	198,771,681.15	18,841,629.90
Subtotal of cash generated from operating activities	1,433,345,977.32	1,371,849,214.47
Payments for commodities and services	713,793,916.64	1,062,624,948.98
Cash paid to and for employees	206,890,522.37	199,120,202.97
Taxes paid	44,563,155.83	93,662,045.51
Cash used in other operating activities	201,183,632.07	93,658,109.42
Subtotal of cash used in operating activities	1,166,431,226.91	1,449,065,306.88
Net cash generated from/used in operating activities	266,914,750.41	-77,216,092.41
2. Cash flows from investing activities:		
Proceeds from disinvestment	210,000,000.00	249,522,784.87
Return on investment	19,074,236.46	12,328,693.07
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	6,000,000.00	
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		215,850.00
Subtotal of cash generated from investing activities	235,074,236.46	262,067,327.94
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	39,543,400.88	70,343,058.99
Payments for investments	593,603,151.20	197,416,600.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	633,146,552.08	267,759,658.99
Net cash generated from/used in investing activities	-398,072,315.62	-5,692,331.05
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised		14,556,611.51
Cash generated from other financing activities		
Subtotal of cash generated from		14,556,611.51

financing activities		
Repayment of borrowings	122,169,781.24	
Interest and dividends paid	76,136,614.53	
Cash used in other financing activities		
Subtotal of cash used in financing activities	198,306,395.77	
Net cash generated from/used in financing activities	-198,306,395.77	14,556,611.51
4. Effect of foreign exchange rates changes on cash and cash equivalents	-13,637,776.75	237,020.05
5. Net increase in cash and cash equivalents	-343,101,737.73	-68,114,791.90
Add: Cash and cash equivalents, beginning of the period	1,227,318,268.34	1,084,153,666.22
6. Cash and cash equivalents, end of the period	884,216,530.61	1,016,038,874.32

Legal representative: Yu Zhongmin

Person in charge of accounting work: Li Zehua

Person in charge of the accounting department: Li Yizhi

7. Consolidated Statements of Changes in Owners' Equity

H1 2026

Unit: RMB

Item	H1 2026														
	Equity attributable to owners of the parent company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
		Preferred shares	Perpetual bonds	Other											
1. Balance as at the end of the prior year	1,535,778,230.00				843,517,955.90		227,147,391.31	3,436,494.07	189,358,133.42		4,035,582,297.14		6,834,820,501.84	3,596,690,085.55	10,431,510,587.39
Add: Adjustment for change in accounting policy															
Adjustment for correction of previous error															
Other															
2. Balance as at the beginning of the year	1,535,778,230.00				843,517,955.90		227,147,391.31	3,436,494.07	189,358,133.42		4,035,582,297.14		6,834,820,501.84	3,596,690,085.55	10,431,510,587.39
3.					-		-	1,698,60			-		-	-	-

Increase/ decrease in the period ("-" for decrease)					104,987.75		29,511,662.71	5.13			35,083,271.12		63,001,316.45	15,226,699.17	78,228,015.62
3.1 Total comprehensive income							-29,511,662.71				41,705,640.38		12,193,977.67	-36,335,109.91	-24,141,132.24
3.2 Capital increased and reduced by owners					-104,987.75								-104,987.75	22,608,425.67	22,503,437.92
3.2.1 Ordinary shares increased by owners														22,467,537.92	22,467,537.92
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															

3.2.4 Other					-104,987.75								-104,987.75	140,887.75	35,900.00
3.3 Profit distribution											-76,788,911.50		-76,788,911.50	-3,985,099.42	-80,774,010.92
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to owners (or shareholders)											-76,788,911.50		-76,788,911.50	-3,985,099.42	-80,774,010.92
3.3.4 Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from															

capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other															
3.5 Specific								1,698,605.13					1,698,605.13	2,485,084.49	4,183,689.62

reserve															
3.5.1 Increase in the period								8,428,975.84					8,428,975.84	5,135,020.33	13,563,996.17
3.5.2 Used in the period								6,730,370.71					6,730,370.71	2,649,935.84	9,380,306.55
3.6 Other															
4. Balance as at the end of the period	1,535,778,230.00				843,412,968.15		197,635,728.60	5,135,099.20	189,358,133.42		4,000,499,026.02		6,771,819,185.39	3,581,463,386.38	10,353,282,571.77

H1 2025

Unit: RMB

Item	H1 2025														
	Equity attributable to owners of the parent company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
		Preferred shares	Perpetual bonds	Other											
1. Balance as at the end of the prior year	1,548,778,230.00				914,336,325.66	82,165,144.15	383,429,155.02	4,782,061.20	150,097,522.97		3,655,046,154.57		6,574,304,305.27	3,592,195,788.57	10,166,500,093.84
Add: Adjustment for change in accounting policy															

Adjustment for correction of previous error															
Other															
2. Balance as at the beginning of the year	1,548,778,230.00				914,336,325.66	82,165,144.15	383,429,155.02	4,782,061.20	150,097,522.97		3,655,046,154.57		6,574,304,305.27	3,592,195,788.57	10,166,500,093.84
3. Increase/ decrease in the period ("-" for decrease)	-13,000,000.00				-70,818,369.76	-82,165,144.15	41,953,919.82	705,009.82	17,188,178.82		85,393,974.05		143,587,856.90	35,724,863.38	179,312,720.28
3.1 Total comprehensive income							213,835,708.05				114,993,752.24		328,829,460.29	32,586,188.08	361,415,648.37
3.2 Capital increased and reduced by owners	-13,000,000.00				-70,818,369.76	-82,165,144.15							-1,653,225.61	28,999,773.07	27,346,547.46
3.2.1 Ordinary shares increased by owners															

3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															
3.2.4 Other	-13,000,000.00				-70,818,369.76	-82,165,144.15							-1,653,225.61	28,999,773.07	27,346,547.46
3.3 Profit distribution											-184,293,387.60		-184,293,387.60	-28,348,734.17	-212,642,121.77
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to											-184,293,387.60		-184,293,387.60	-28,348,734.17	-212,642,121.77

owners (or shareholders)															
3.3.4 Other															
3.4 Transfers within owners' equity							-171,881,788.23		17,188,178.82		154,693,609.41				
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes															

transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings							-171,881,788.23		17,188,178.82		154,693,609.41				
3.4.6 Other															
3.5 Specific reserve								705,009.82					705,009.82	2,487,636.40	3,192,646.22
3.5.1 Increase in the period								11,812,685.82					11,812,685.82	5,958,913.05	17,771,598.87
3.5.2 Used in the period								11,107,676.00					11,107,676.00	3,471,276.65	14,578,952.65
3.6 Other															
4. Balance as at the end of the period	1,535,778,230.00				843,517,955.90		425,383,074.84	5,487,071.02	167,285,701.79		3,740,440,128.62		6,717,892,162.17	3,627,920,651.95	10,345,812,814.12

Legal representative: Yu Zhongmin Person in charge of accounting work: Li Zehua Person in charge of the accounting department: Li Yizhi

8. Statements of Changes in Owners' Equity of the Parent Company

H1 2026

Unit: RMB

Item	H1 2026											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the prior year	1,535,778,230.00				839,893,397.29		227,973,609.59	522,569.87	420,662,202.66	3,188,821,949.84		6,213,651,959.25
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments												
2. Balance as at the beginning of the year	1,535,778,230.00				839,893,397.29		227,973,609.59	522,569.87	420,662,202.66	3,188,821,949.84		6,213,651,959.25
3. Increase/ decrease in the period ("-" for decrease)							-24,864,916.26	1,018,783.23		-79,379,254.27		-103,225,387.30
3.1 Total comprehensive income							-24,864,916.26			-2,590,342.77		-27,455,259.03

3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other												
3.3 Profit distribution										-76,788,911.50		-76,788,911.50
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-76,788,911.50		-76,788,911.50
3.3.3 Other												
3.4												

Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												

Item	Share capital	Preferred shares	Perpetual bonds	Other	Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
3.5 Specific reserve								1,018,783.23				1,018,783.23
3.5.1 Increase in the period								4,019,483.51				4,019,483.51
3.5.2 Used in the period								3,000,700.28				3,000,700.28
3.6 Other												
4. Balance as at the end of the period	1,535,778,230.00				839,893,397.29		203,108,693.33	1,541,353.10	420,662,202.66	3,109,442,695.57		6,110,426,571.95

H1 2025

Unit: RMB

Item	H1 2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the prior year	1,548,778,230.00				909,058,541.44	82,165,144.15	383,570,431.32	3,170,252.81	381,401,592.21	3,019,769,843.45		6,163,583,747.08
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												

Other adjustments												
2. Balance as at the beginning of the year	1,548,778,230.00				909,058,541.44	82,165,144.15	383,570,431.32	3,170,252.81	381,401,592.21	3,019,769,843.45		6,163,583,747.08
3. Increase/ decrease in the period ("-" for decrease)	-13,000,000.00				-69,165,144.15	-82,165,144.15	42,401,277.65	24,489.83	17,188,178.82	-4,173,165.46		55,440,780.84
3.1 Total comprehensive income							214,283,065.88			25,426,612.73		239,709,678.61
3.2 Capital increased and reduced by owners	-13,000,000.00				-69,165,144.15	-82,165,144.15						
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4	-13,000,000.00				-69,165,144.1	-82,165,144.1						

Other					5	5						
3.3 Profit distribution										-184,293,387.60		-184,293,387.60
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-184,293,387.60		-184,293,387.60
3.3.3 Other												
3.4 Transfers within owners' equity							-171,881,788.23		17,188,178.82	154,693,609.41		
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4												

Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings							-171,881,788.23		17,188,178.82	154,693,609.41		
3.4.6 Other												
3.5 Specific reserve								24,489.83				24,489.83
3.5.1 Increase in the period								5,741,655.37				5,741,655.37
3.5.2 Used in the period								5,717,165.54				5,717,165.54
3.6 Other												
4. Balance as at the end of the period	1,535,778,230.00				839,893,397.29		425,971,708.97	3,194,742.64	398,589,771.03	3,015,596,677.99		6,219,024,527.92

Legal representative: Yu Zhongmin Person in charge of accounting work: Li Zehua Person in charge of the accounting department: Li Yizhi

III Company Profile

1. Basic information

Foshan Electrical and Lighting Co., Ltd. (hereinafter referred to as "the Company"), a joint-stock limited company jointly founded by Foshan Electrical and Lighting Company, Nanhai Wuzhuang Color Glazed Brick Field, and Foshan Poyang Printing Industrial Co. on October 20, 1992 by raising funds under the approval of YGS (1992) No. 63 Document issued by the Joint Examination Group for Experimental Enterprises in Stock System of Guangdong Province and the Economic System Reform Commission of Guangdong Province, is an enterprise with its shares held by both the corporate and the natural persons. As approved by China Securities Regulatory Commission with Document (1993) No. 33, the Company publicly issued 19.3 million shares of social public shares (A shares) to the public in October 1993, and was listed in Shenzhen Stock Exchange for trade on November 23, 1993. The Company was approved to issue 50 million B shares on July 23, 1995. And, as approved to change into a foreign-invested stock limited company on August 26, 1996 by (1996) WJMZEHZ No. 466 Document issued by the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China. On December 11, 2000, as approved by China Securities Regulatory Commission with ZJGS Zi [2000] No. 175 Document, the Company additionally issued 55 million A shares. At approved by the Shareholders' General Meeting 2006, 2007, 2008, 2014 and 2017 the Company implemented the plan of capitalization of capital reserve, after the transfer, the registered capital of the Company has increased to RMB1,399,346,154.00. On February 8, 2022, the Company cancelled 37,351,507 shares held in the repurchase special securities account (including 18,952,995 A-shares and 18,398,512 B-shares). Upon the cancellation of the shares, the total share capital of the Company was changed from 1,399,346,154 shares to 1,361,994,647 shares. The Company's registered capital was changed to RMB1,361,994,647.00. In August 2023, upon approval by the CSRC (Z.J.X.K. Document No. 1974 [2023]), the Company issued 186,783,583 RMB-denominated ordinary shares (A-shares) to 13 specific subjects. These shares were listed on the Shenzhen Stock Exchange on December 4, 2023. After the issuance of shares, the total share capital of the Company changed from 1,361,994,647 shares to 1,548,778,230 shares, and the registered capital of the Company changed to RMB One Billion, Five Hundred and Forty-eight Million, Seven Hundred and Seventy-eight Thousand, Two Hundred and Thirty (RMB1,548,778,230.00). On January 10, 2025, the Company canceled 13 million A-shares held in the repurchase special securities account. Following this cancellation, the Company's total share capital changed from 1,548,778,230 shares to 1,535,778,230 shares, and the Company's registered capital changed to RMB1,535,778,230.00).

Credibility code of the Company: 91440000190352575W.

Legal representative: Yu Zhongmin

Corporate domicile: No. 64, Fenjiang North Road, Chancheng District, Foshan, Guangdong Province

Office address: No. 8, Zhihui Road, Chancheng District, Foshan, Guangdong Province

Main business of the company and its subsidiaries (hereinafter referred to as "the Company"): general lighting products, vehicle lamp products, epitaxy and chip products, LED packaging and component products, trade and other products.

The business term of the Company is long-term, which was calculated from the date of issuance of *License of Business Corporation*.

2. Authorized issuer and date of approval of the financial report

These financial statements have been authorized for issue by the Board of Directors on August 21, 2026.

3. Scope of the consolidated financial statements

The scope of the consolidated financial statements during the Reporting Period include Foshan Electrical and Lighting Co., Ltd., 14 subsidiaries including FSL Chanchang Optoelectronics Co., Ltd. (referred to as "Chanchang Company"), Foshan Taimei Times Lamp Co., Ltd. (referred to as "Taimei Company"), Nanjing Fozhao Lighting Components Co., Ltd. (referred to as "Nanjing Fozhao"), FSL (Xinxiang) Lighting Co., Ltd. (referred to as "Xinxiang Company"), Foshan Fozhao Zhicheng Technology Co., Ltd. (referred to as "Zhicheng Company"), FSL Zhida Electric Technology Co., Ltd (referred to as "Zhida Company"), Guangdong Fozhao Optoelectronics Co., Ltd. (formerly Foshan Hortilite Optoelectronics Co., Ltd., Fozhao Optoelectronics for short), Fozhao (Hainan) Technology Co., Ltd. (referred to as "Hainan Technology"), Foshan Kelian New Energy Technology Co., Ltd. (referred to as "Foshan Kelian"), Nanning Liaowang Auto Lamp Co., Ltd. (referred to as "Liaowang Auto Lamp), Foshan NationStar Optoelectronics Co., Ltd. (referred to as "NationStar Optoelectronics"), Foshan Sigma Venture Capital Co., Ltd. (referred to as "Sigma"), Fozhao Huaguang (Maoming) Technology Co., Ltd. (referred to as "Fozhao Huaguang") and Guangdong Airtrust Aviation Equipment Co., Ltd. (referred to as "Airtrust"), as well as 14 sub-subsidiaries including Liuzhou Guige Lighting Technology Co., Ltd. (referred to as "Liuzhou Lighting"), Liuzhou Guige Foreshine Technology Co., Ltd. (referred to as "Liuzhou Foreshine"), Chongqing Guinuo Lighting Technology Co., Ltd. (referred to as "Chongqing Guinuo"), Qingdao Guige Lighting Technology Co., Ltd. (referred to as "Qingdao Lighting"), Indonesia Liaowang Auto Lamp Co., Ltd. (referred to as "Indonesia Liaowang"), Liaowang Auto Lamp (Suzhou)

Co., Ltd. ("Suzhou Liaowang"), Zhejiang Hule Electrical Equipment Manufacturing Co., Ltd. ("Hule Electrical"), Foshan NationStar Electronic Manufacturing Co., Ltd. (referred to as "Guoxing Electronic"), Foshan NationStar Semiconductor Co., Ltd. (referred to as "NationStar Semiconductor"), Guangdong New Electronic Information Ltd. (referred to as "New Electronic"), NationStar Optoelectronics (Germany) Co., Ltd. (referred to as "Germany NationStar"), Guangdong Fenghua Semiconductor Technology Co., Ltd. (referred to as "Fenghua Semiconductor"), Gaozhou NationStar Lighting Technology Co., Ltd. (referred to as "Gaozhou NationStar"), and FSL (Thailand) Lighting Technology Co., Ltd. (referred to as "Thailand Company").

The Company had 28 subsidiaries included in the consolidation scope during the current period. See Notes "IX Changes in the scope of consolidation and "X Interests in other entities" for details.

IV Basis for Preparation of Financial Statements

1. Preparation Basis

The Company's financial statements are prepared on a going concern basis, based on transactions and events that actually occur, in accordance with the provisions of the *Accounting Standards for Business Enterprises - Basic Guidelines* and specific accounting standards issued by the Ministry of Finance (hereinafter referred to as "ASBEs"), as well as the relevant provisions of *No. 15 of the Rules Governing the Preparation of Information Disclosures by Companies Offering Securities to the Public - General Provisions on Financial Reporting* of the China Securities Regulatory Commission and on the basis of the significant accounting policies and accounting estimates formulated.

2. Going Concern

The Company has the ability to continue as a going concern for at least 12 months from the end of the Reporting Period and there are no material matters affecting its ability to continue as a going concern.

V Important Accounting Policies and Estimations

Reminders of the specific accounting policies and accounting estimations:

The following significant accounting policies and accounting estimates of the Company have been formulated in accordance with ASBEs. Operations not mentioned are treated in accordance with the relevant accounting policies in the ASBE.

1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company are in compliance with the *Accounting Standards for Business Enterprises*, which factually and completely present the Company's and the consolidated financial positions, business results and cash flows, as well as other relevant information of the Company.

2. Fiscal Year

A fiscal year starts on January 1 and ends on December 31 according to the Gregorian calendar.

3. Operating Cycle

An operating cycle for the Company is 12 months, which is also the classification criterion for the liquidity of its assets and liabilities.

4. Recording Currency

Renminbi is the recording currency for the statements of the Company.

5. Methods for Determining Materiality Standards and Selection Criteria

☑ Applicable □ Not applicable

(1) Materiality of financial statement items

The Company determines the materiality of financial statement items based on the principle of whether such items affect the users of financial statements making economic decisions in terms of both the nature and amount. The materiality of financial statement items in terms of the amount is determined based on a certain percentage of relevant items in total assets, total liabilities, net assets, operating income, and net profit. The materiality of financial statement items in terms of nature is based on factors with a significant impact on the Company's financial position and operating results, such as whether they are part of routine operating activities, whether they result in changes in profit or loss, and whether they affect regulatory indicators.

(2) Materiality of detailed items in the notes to financial statement items

The Company determines the materiality of detailed items in the notes to financial statement items based on the materiality of the financial statement items. This determination is made by considering a certain percentage of the specific item, or a combination of the amount of the item, taking into account the nature of the specific item. Certain items that are not material to the financial statements may be material to the notes and still require separate disclosure in the notes. The materiality criteria related to the notes to the financial statement items are:

Item	Materiality criteria

Significant accounts receivable with bad debt provision separately accrued	The individual amount accounts for more than 10% of the account receivable or bad debt provision, and the amount exceeds RMB10 million.
Bad debt provision of accounts receivable collected or reversed with significant amount in this year	Individual amount accounts for more than 10% of the current reversal of bad debt provision, and the amount exceeds RMB10 million.
Significant verification of accounts receivable in this year	The individual amount accounts for more than 10% of the account receivable or bad debt provision, and the amount exceeds RMB10 million.
Significant construction in progress	The ending balance of an individual construction in progress accounts for more than 10%, and the amount exceeds RMB50 million.
Significant accounts payable/other payables over one year	The individual amount accounts for more than 10% of accounts payable over 1 year/other payables, and the amount exceeds RMB10 million.
Significant cash flows generated from investment activities	Cash flows of an individual investment accounts for more than 3% of the net assets at the period-end, and the amount exceeds RMB100 million.
Significant non-wholly-owned subsidiary	Minority shareholders hold more than 5% interest and any of the items of total assets, net assets, operating revenues and net profits of the subsidiary accounts for more than 10% of the corresponding items in the consolidated financial statements.
Significant joint ventures or associated enterprises	The investment income generated from joint ventures or associated enterprises (The loss is calculated in absolute terms) accounts for more than 10% of the net profit of consolidated financial statements.
Significant debt reorganization	The influence of individual amount on net profit exceeds 10%.
Significant commitments	The amount of an individual commitment exceeds RMB10 million.
Significant contingency	The amount of money involved in cases exceeds RMB10 million.

6. Accounting Methods for Business Combination Involving Enterprises under and not under the Same Control

(1) Business combination under the same control

In case of a long-term equity investment resulting from a business combination under the same control, if the acquirer pays cash, transfers non-cash assets, assumes debts as merger consideration, the share of the Company's equity of the acquiree obtained on combination date in the carrying value of the financial statements of the ultimate controlling party is deemed as an initial investment cost of long-term equity investments. If the acquirer issues equity instruments as consideration for a combination, the total par value of the shares issued is treated as equity. The difference between the initial investment cost of a long-term equity investment and the carrying amount of the consideration for consolidation (or the total nominal value of shares issued) shall be adjusted to capital surplus; if capital surplus is not sufficient to offset the difference, retained earnings shall be adjusted.

(2) Business combination not involving entities under the same control

In case of business combination involving enterprises not under the same control, the combination costs shall be the total fair values of the assets paid, liabilities incurred or assumed and the equity securities issued on the date of acquisition by the acquirer in exchange for control on the acquiree. Identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a business combination not under the same control that qualify for recognition are measured at fair value on the date of acquisition. The acquirer recognizes as goodwill the difference between the combination costs and the fair value share of the identifiable net assets of the acquiree obtained in the combination. If the combination costs are less than the fair value share of the acquiree's identifiable net assets obtained in the combination, the difference between the combination costs still less than the fair value share of the acquiree's identifiable net assets obtained in the combination after review shall be included in the non-operating revenue for the current period.

7. Criteria for Judging Control and Methods for Preparing Consolidated Financial Statements

(1) Judgment criteria for control

The scope of consolidation of the consolidated financial statements is determined on the basis of control. An investee is considered to be controlled if the following three elements are present: the possession of power over the investee, the enjoyment of variable returns as a result of participating in the relevant activities of the investee, and the ability to use the power over the investee to affect the amount of returns.

(2) Preparation methods for consolidation financial statements

1) Unification of accounting policies, balance sheet dates and accounting periods of parent and subsidiary companies

If the accounting policies and accounting period adopted by the subsidiaries are inconsistent with those of the Company, necessary adjustments are made in accordance with the accounting policies and accounting period of the Company when preparing the consolidated financial statements.

2) Offsetting items in the consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries and have been offset by internal transactions that occurred between the Company and its subsidiaries and between subsidiaries. The share of owners' equity of subsidiaries that do not belong to the Company is presented as minority interests in the consolidated balance sheet under the item of shareholders' equity as "minority interests". Long-term equity investments held by subsidiaries are deemed as the Company's treasury stock and presented as a deduction from shareholders' equity in the consolidated balance sheet under the item "Less: treasury stock".

3) Accounting treatment of the acquisition of subsidiaries through consolidation

For subsidiaries acquired through a business combination under common control, the assets, liabilities, operating results, and cash flows are included in the consolidated financial statements from the beginning of the period of consolidation as if the business combination had occurred at the time the ultimate controlling party began to exercise control; for subsidiaries acquired through a business combination, not under the same control, the fair value of the identifiable net assets on the acquisition date is used as the basis for preparing the consolidated financial statements. The financial statements are adjusted based on the fair value of the identifiable net assets on the acquisition date.

4) Accounting treatment of disposal of subsidiaries

If a long-term equity investment in a subsidiary is partially disposed of without loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the long-term equity investment calculated on an ongoing basis from the acquisition date or the consolidation date is adjusted to capital surplus in the consolidated financial statements, and retained earnings is adjusted if the capital surplus is not sufficient to cover the reduction. If the control over the investee is lost due to the disposal of part of equity investments, the residual equity are re-measured at fair value on the date of loss of control. The aggregate of the consideration obtained by disposing of the equity and the fair value of the remaining equity less the portion of the net assets of the subsidiary that has been measured, as calculated at the original shareholding proportion, from the acquisition date or combination date is recognized in profit and loss of the current period on investments in which the control is lost, and goodwill shall be offset. Other comprehensive income related to the equity investments in the former subsidiary shall be included in the return on investment for the current period when the Company lost the control.

8. Classification of Joint Operation Arrangements and Accounting Methods for Joint Operations

(1) Classification of joint arrangements

Joint arrangements are divided into joint operations and joint ventures. The joint arrangements not reached through separate entities are classified as joint operations. Separate entities refer to entities with separate identifiable financial structures, including separate legal entities and entities that do not have legal entity status but are recognized by law. The joint arrangements reaching through separate entities are usually classified as joint ventures. Where changes in relevant facts and circumstances result in changes in the rights and obligations of the joint venture parties in the joint venture arrangement, the joint venture parties shall reassess the classification of the joint venture arrangement.

(2) Accounting treatment of joint operations

As a participant in a joint operation, the Company recognizes the following items related to its share of interest in the joint operations. It accounts for them following the relevant Accounting Standards for Business Enterprises: Recognition of assets or liabilities held separately, and recognition of assets or liabilities held jointly on a share basis; recognition of revenue from the sale of the share of output from the joint operation to which it is entitled; recognition of revenue from the joint operation arising from the sale of output on a share basis; and recognition of expenses incurred separately, and recognition of expenses incurred in the joint operation on a share basis.

If the Company is a participant in a joint operation that does not enjoy joint control, and it owns the underlying assets of the joint operation and assumes the liabilities related to the joint operation, the accounting treatment of the joint operation partner shall be referred to; otherwise, the accounting treatment shall be carried out in accordance with the relevant enterprise accounting standards.

(3) Accounting treatment of joint ventures

If the Company is a joint venture partner, it shall account for its investment in joint ventures following the provisions of Accounting Standards for Business Enterprises No. 2-Long-term Equity Investments; if the Company is a non-joint venture partner, it shall account for its investment in such joint ventures based on the extent of its influence on such joint ventures.

9. Recognition Criteria of Cash and Cash Equivalents

Cash, as determined by the Company in preparing the statement of cash flows, represents the Company's cash on hand and deposits that are readily available for disbursement. Cash equivalents identified in the preparation of the statement of cash flows are investments that are held for a short period of time, are highly liquid, are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

10. Translation of Transactions and Financial Statements Denominated in Foreign Currencies

(1) Conversion of foreign currency business

The Company records foreign currency transactions using the spot exchange rate on the transaction date or the nearest exchange rate to the transaction date to convert into the functional currency. On the balance sheet date, the monetary items in foreign currencies are translated at the spot exchange rate. Exchange differences arising from the difference between the spot rate on that date and the spot rate at initial recognition or on the previous balance sheet date are recognized in profit or loss, except for exchange differences on special borrowings in foreign currencies that qualify for capitalization, which are capitalized in the period in which they are capitalized and charged to the cost of the related assets. Non-monetary items measured at historical costs in foreign currencies are still translated at the spot exchange rate on the transaction date with the amount of standard currency for accounting unchanged. Non-monetary items measured at fair value in foreign currencies are translated at the spot exchange rate on the date when the fair value is determined. The difference between the amount of standard currency for accounting after translation and the original amount shall be treated as a change in fair value (including exchange rate changes) and recognized in current profit or loss or in other comprehensive income.

(2) Conversion of foreign currency financial statements

If the Company's subsidiaries, joint ventures, and affiliated business use a different bookkeeping base currency from the Company's, they need to convert their foreign currency financial statements before conducting accounting and preparing consolidated financial statements. The assets and liabilities in the balance sheet shall be translated at the spot rate on the balance sheet date. All items of owners' equity, except for "undistributed profit", shall be translated at the spot exchange rate at the time of occurrence. Items under revenue and expenses in the income statement are translated at the spot exchange rate on the transaction date. The exchange difference in translating foreign operations arising from the translation are shown under other comprehensive income in the owner's equity line in the balance sheet. Cash flows in foreign currencies shall be translated at the spot exchange rate on the date of occurrence of the cash flows. The impact of exchange rate changes on cash is presented separately in the cash flow statement. When an overseas operation is disposed of, the foreign currency statement translation difference related to the overseas operation is transferred to the current profit and loss of the disposal in full or in proportion to the disposal of the overseas operation.

11. Financial Instruments

(1) Classification, recognition and measurement of financial instruments

1) Financial assets

Based on the business model for managing financial assets and the contractual cash flow characteristics of financial assets, the Company classifies its financial assets into the following three categories:

① Financial assets are measured at the amortized cost. The business model of the Company for managing such financial assets aims at obtaining contractual cash flow, and the characteristics of contractual cash flow of such financial assets are basically the same as basic borrowing arrangement, namely the cash flow arising on a specific date, which are solely payments of principal and interest on the principal amount outstanding. Interest income is subsequently recognized on such financial assets on the basis of the effective interest method.

② Financial assets at fair value and changes included in other comprehensive income The business model of the Company for managing such financial assets aims at receiving contractual cash flow as well as selling, and the characteristics of contractual cash flow of such financial assets are basically the same as basic borrowing arrangement. Such financial assets are subsequently measured at fair value with changes recognized in other comprehensive income, except for interest income, impairment losses or gains calculated in accordance with the effective interest method and foreign exchange gains or losses recognized in the current profit or loss.

③ Financial assets measured at fair value through profit or loss for the current period Financial assets held that are not classified as at amortized cost and at fair value through other comprehensive income are measured at fair value, with gains or losses (including interest and dividend income) recognized in profit or loss for the current period. On initial recognition, a financial asset may be irrevocably designated as financial asset at fair value through profit or loss if the accounting mismatch can be eliminated or reduced. The designation shall not be revoked once made.

For instruments in non-business equity instruments, the Company may irrevocably assign such investments as financial assets (equity instruments) measured at fair value through other comprehensive income at initial recognition. The assignment is made based on investments by item, and the relevant investments meet the definition of an equity instrument from the issuer's perspective. Such financial assets are subsequently measured at fair value, and except for dividends received (except for the portion which forms part of investment cost recovered), which are recognized in profit or loss, all other related gains and losses are recognized in other comprehensive income and are not subsequently transferred to current profit or loss.

2) Financial liabilities

On initial recognition, financial liabilities are classified into the following categories:

① Financial liabilities measured at fair value through profit and loss for the current period. Such financial liabilities are subsequently measured at fair value, and the resulting gains or losses are recognized in profit or loss for the current period.

② Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

③ Financial liabilities measured at amortized cost. Such financial liabilities are measured at amortized cost using the effective interest method.

(2) Method for recognizing the fair value of financial instruments

For a financial instrument with an active market, its fair value is determined by its quoted price in the active market; for a financial instrument without an active market, its fair value is determined by valuation techniques. Under limited circumstances, if the information used to determine fair value is insufficient, or if the range of possible estimates of fair value is wide and the cost represents the best estimate of fair value within that range, the cost may represent its appropriate estimate of fair value within that range of distribution. The Company uses all information available after the initial recognition date about the investee's performance and operations to determine whether the cost represents fair value.

(3) Derecognition of financial instruments

A financial asset is derecognized when one of the following conditions is met: a. the contractual right to receive cash flows from the financial asset is terminated; b. the financial asset is transferred and the conditions for derecognition are met.

If the present obligation of a financial liability is discharged in whole or in part, the discharged portion is derecognized. If an existing liability is replaced by another financial liability from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, the existing financial liability is derecognized and a new financial liability is recognized simultaneously. All regular acquisitions or sales of financial assets are recognized and derecognized on a transaction date basis.

12. Notes Receivable

The determination methods and accounting methods of notes receivable are detailed in Note V-13. Accounts Receivable.

13. Accounts Receivable

(1) Measurement of expected credit loss

The Company uses expected credit losses as the basis for impairment accounting and recognizes an allowance for bad debts for financial assets measured at amortized cost (including accounts receivable, including notes receivable and accounts receivable), financing receivables, lease receivables, and other receivables.

(2) Recognition method for expected credit losses

The general approach to expected credit losses is that: the Company assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition on each balance sheet date, divides the process of credit impairment of financial instruments into three stages, and applies different accounting treatments to the impairment of financial instruments at different stages: (1) in the first stage, if the credit risk of a financial instrument has not increased significantly since the initial recognition, the Company will measure the loss reserves according to the amount equivalent to the expected credit losses in the next 12 months, and calculate the interest revenue according to the book balance (i.e., before deducting the provision for impairment) and the actual interest rate; (2) In the second stage, if the credit risk of a financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, the Company will measure the loss reserves based on the expected credit loss over the entire life of the financial instrument and calculates interest revenue based on the carrying amount of the financial instrument and the effective interest rate; (3) In the third stage, if credit impairment occurs after the initial recognition, the Company will measure the loss reserves based on the expected credit loss over the life of the financial instrument and calculates interest revenue based on the amortized cost (carrying amount less provision for impairment) and the effective interest rate.

The simplified approach for expected credit losses is to always measure the allowance for losses at an amount equal to the expected credit losses throughout their lives.

(3) Accounting methods of the expected credit losses

To reflect the changes in credit risk of financial instruments since initial recognition, the Company remeasures expected credit losses at each balance sheet date. The resulting increase or reversal amount of the loss provision should be recognized as an impairment loss or gain in profit or loss and offset against the carrying amount of the financial asset as stated in the balance sheet or included in projected liabilities, depending on the type of financial instrument (loan commitments or financial guarantee contracts).

(4) Method of the provision for losses on the measurement of receivables, lease receivables

1) Receivables with no significant financing component. For receivables arising from transactions governed by Accounting Standard for Business Enterprises No. 14 - Revenue that do not have a significant financing component, the Company uses a simplified approach whereby the allowance for losses is always measured on the basis of expected credit losses throughout their lives.

① Accounts receivable of expected credit losses withdrawn individually

Rationale for a single provision for expected credit losses	Objective evidence of impairment
Individual accruals for expected credit losses	The impairment tests are conducted separately for accounts receivable individually accrued. An impairment loss is recognized based on the difference between the present value of future cash flows and their carrying amount, and an expected credit loss is recorded

② Accounts Receivable with Expected Credit Losses Provision Based on Credit Risk Portfolio

Portfolio name	Basis for portfolio recognition	Determination method of expected credit losses
Business portfolio of general lighting and auto lamps	General lighting, auto lamps and other relevant business with the parent company and the subsidiary Liaowang Auto Lamp as the representative, this portfolio takes the aging of accounts receivable as the credit risk characteristics	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life and calculate the expected credit loss by consulting historical experience in credit losses, combining current situation and prediction for future economic situation.
Business portfolio of LED packaging and components	LED packaging, components and other relevant business with the subsidiary NationStar Optoelectronics as the representative, this portfolio takes the aging of accounts receivable as the credit risk characteristics	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life and calculate the expected credit loss by consulting historical experience in credit losses, combining current situation and prediction for future economic situation.
Internal business portfolio	Related parties and internal transactions	Other methods

Notes Receivable for which the Expected Credit Loss is withdrawn by Credit Risk Characteristics

Portfolio name	Basis for portfolio recognition	Determination method of expected credit losses
Portfolio 1	Bank acceptance bill	Low credit risk with no provision for bad debts
Portfolio 2	Trade acceptance	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life and calculate the expected credit loss by consulting historical experience in credit losses, combining current situation and prediction for future economic situation.

The aging analyses are based on their date of entry into the accounts.

Among portfolios, expected credit losses accrued by aging analysis:

Aging	Expected credit loss rate	
	Business portfolio of general lighting and auto lamps	Business portfolio of LED packaging and components
Within 1 year (including 1 year)	3%	2%
1 to 2 years	10%	10%
2 to 3 years	30%	30%
3 to 4 years	50%	50%
4 to 5 years	80%	80%
Over 5 years	100%	100%

For receivables with significant financing components and lease receivables, the Company measures the provision for losses in accordance with the general method, i.e., the “three-stage” model. The credit risk characteristics grouping, the aging calculation method based on the credit risk characteristics grouping, and the criteria for determining individual provisioning are consistent with the recognition standards for those without financing components.

(5) Method of measuring loss provision for other financial assets

For financial assets other than those mentioned above, such as debt investments, other debt investments, other receivables and long-term receivables other than lease receivables, the Company measures the allowance for losses in accordance with the general method, i.e. the “three-stage” model.

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

The Company divides other receivables into certain credit risk combinations based on the nature of the amounts. It calculates expected credit losses based on the combinations, and the basis for determining the combinations is as below:

Portfolio name	Determination basis
Portfolio 1: Deposit, security deposit	Based on nature of accounts
Portfolio 2: Amounts from related parties	Based on nature of accounts
Portfolio 3: Advances on behalf of others	Based on nature of accounts

2) Aging calculation method for recognizing credit risk combinations based on aging

Refer to the description of receivables with no significant financing components.

3) Criteria for determining the bad debt provision based on individual items

Refer to the description of receivables with no significant financing components.

14. Receivables Financing

The determination methods and accounting methods of receivables financing are detailed in Note V-13. Accounts Receivable.

15. Other Receivables

The determination methods and accounting methods of expected credit losses of other receivables is the same as that of accounts receivable, as detailed in Note V-13. Accounts Receivable.

16. Contract Assets

The Company presents the right to receive consideration for goods or services that have been transferred to the customer (and which is dependent on factors other than time-lapse) as a contract asset. The provision for impairment of contract assets is made with reference to the method of determining expected credit losses in this note.

Contract assets are categorized into the following portfolios according to credit risk characteristics:

Portfolio	Determination basis
Portfolio 1: General lighting and lamps business portfolio	General lighting, automotive lamps and related businesses represented by the parent company and its subsidiary Liaowang Auto Lamp. This portfolio uses the aging of accounts receivable as the credit risk characteristic.
Portfolio 2: LED packaging and components business portfolio	LED packaging, components and other related businesses represented by subsidiary NationStar Optoelectronics. This portfolio uses the aging of accounts receivable as the credit risk characteristic
Portfolio 3: Internal business portfolio	This portfolio involves related-party transactions and internal transactions

17. Inventory

(1) Classification of inventories

Inventories refer to the Company's finished goods or commodities for sale held in daily activities, unfinished goods in manufacturing process, and materials and supplies consumed in process of manufacturing products or providing services, etc. Inventories mainly include raw materials, circulating materials (such as packaging materials, low-value consumables, etc.), materials for entrusted processing, work-in-progress, self-manufactured semi-finished products, and finished goods (inventory goods).

(2) Pricing method of issuing inventories

When inventory is issued, the Company uses the weighted average method to determine the actual cost of the inventory issued.

(3) Inventory system of inventories

The perpetual inventory system is adopted for the inventories of the Company.

(4) Amortization of low-value consumables and packing materials

The one-off charge-off method is used for low-value consumables and packaging materials.

(5) Criteria for Recognizing and Accrual method of provision for decline in value of inventories

Net realizable value refers to the amount after deducting the cost estimated until completion, estimated selling expenses, and relevant taxes from the estimated selling price of the inventory. The Company determines the net realizable value of inventories based on solid evidence obtained and after taking into consideration the purpose for which the inventory is held, and the impact of post-balance sheet events.

The net realizable value of finished goods, materials for sale, and other merchandise inventories used directly for sale is determined in the normal course of production and operation as the estimated selling price of such inventories, less estimated selling expenses, and related taxes.

The net realizable value of material inventories subject to processing is determined in the normal course of production operations as the estimated selling price of the finished goods produced, less the estimated costs to be incurred to completion, estimated selling expenses, and related taxes. The Company determines the net realizable value of inventories based on solid evidence obtained and after taking into consideration the purpose for which the inventory is held, and the impact of post-balance sheet events.

18. Assets Held for Sale

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

A non-current asset or disposal group whose carrying value will be recovered principally through sale rather than through continuing use is classified as held for sale and meets the following conditions: first, it is immediately available for sale under current conditions based on the customary practice for sales of such assets or disposal groups in similar transactions; and second, it is highly probable that the sale will occur, i.e., the enterprise has already resolved on a plan for the sale and has obtained a firm commitment to purchase, and it is expected that the sale is expected to be completed within one year. The relevant regulations require the approval of the relevant or regulatory authority of the enterprise before the sale shall have been approved.

When the Company initially measures or remeasures non-current assets or disposal groups held for sale on the balance sheet date, if the carrying value is higher than the fair value minus the net amount of the sale costs, the carrying value will be written down to the net amount of fair value minus the sale costs. The amount written down will be recognized as asset impairment loss and included in current profit and loss, and provision for impairment of assets held for sale will be made.

The amount of asset impairment loss recognized for disposal groups held for sale shall be offset against the carrying value of goodwill in the disposal group first, and then against the carrying value of each non-current asset proportionately according to the proportion of the carrying value of each non-current asset in the disposal group as defined in the applicable measurement of the *Accounting Standards for Business Enterprises - Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations*.

(2) Recognition criteria and presentation of discontinued operations

Discontinued operations is a separately distinguishable component that meets one of the following conditions and that has been disposed of by the Company or classified by the Company as held for sale: the component represents a separate principal business or a separate principal operating area; the component is part of a related program of proposed dispositions of a separate principal business or a separate principal operating area; The component is a subsidiary acquired specifically for resale.

The Company presents gains and losses from continuing operations and gains and losses from discontinued operations separately in the statement of income. Operating gains and losses, such as impairment losses and reversal amounts for discontinued operations, and gains and losses on disposals are presented as gains and losses from discontinued operations. The revenues, expenses, gross profit, income tax expense (benefit) and net profit from discontinued operations, impairment losses recognized on assets or disposal groups of discontinued operations and the amount of their reversal, total gain or loss on disposal of discontinued operations, income tax expense (benefit) and net gain or loss on disposal, net cash flows from operating activities, investing activities and financing activities of discontinued operations, and gains and losses from continuing operations and gains and losses from discontinued operations attributable to owners of the parent company are disclosed in the notes.

19. Investment in Debt Obligations

Not applicable

20. Other Investment in Debt Obligations

The determination methods and accounting methods of other investment in debt obligations are detailed in Note V-11. Financial Instruments.

21. Long-term Receivables

Not applicable

22. Long-term Equity Investments

(1) Judgment criteria for joint control and significant influence

Joint control means that activities that have a significant impact on the return of an arrangement must be decided upon with the unanimous consent of the participants sharing control, including sales and purchases of goods or services, management of financial assets, purchases and disposals of assets, research and development activities, and financing activities. Significant influence refers to the condition where an investor holds between 20% to 50% of the voting capital in an investee, generally indicating a significant influence. Or, although less than 20%, having a significant influence when one of the following conditions is met: Representation on the board of directors or similar authority of the investee; participation in the policy-making process of the investee; assignment of management personnel to the investee; reliance of the investee on the technology or technical information of the investee; and major transactions with the investee.

(2) Determination of initial investment cost

For long-term equity investments acquired through a business combination, in the case of a business combination under the same control, the initial investment cost of the long-term equity investment shall be the share of the owners' equity of the party being combined in the consolidated financial statements of the ultimate controlling party on the combination date; in the case of a business combination not under the same control, the initial investment cost of the long-term equity investment shall be the cost of combination determined on the acquisition date; for long-term equity investments acquired by paying cash, the initial investment cost is the actual purchase price paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued; for long-term equity investments acquired through debt restructuring, the initial investment cost is determined

(3) Method of subsequent measurement and recognition of profit or loss

Long-term equity investments in which the Company can exercise control over the investees are accounted for by the cost method, and long-term equity investments in associates and joint ventures are accounted for by the equity method. If a portion of the Company's equity investments in affiliates is held indirectly through venture capital institutions, mutual funds, trust companies, or similar entities, including investment-linked funds, regardless of whether the above entities have significant influence over this portion of the investment, the Company treats it in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments and accounts* for the remaining portion with the equity method.

23. Investment Properties

Measurement model of investment property

Measurement of cost method

Depreciation or amortization method

The Company's investment property includes leased land use rights, leased buildings, and land use rights held and ready to be transferred after appreciation. Investment property is initially measured according to cost, and then measured by cost model.

The Company uses the composite life depreciation method for buildings leased out of investment properties, and the specific accounting policies are the same as those for fixed assets. Land use rights leased out of investment properties and land use rights held and intended to be transferred after appreciation are amortized through the straight-line method with the same accounting policies as those for the intangible assets segment.

24. Fixed Assets

(1) Recognition conditions

The fixed assets refer to tangible assets held for production of goods, provision of labor services, lease or business with a service life of over a fiscal year. Recognition is made when the following conditions are met: The economic benefits associated with the fixed-asset will probably flow to the enterprise; the cost of the fixed-asset can be measured reliably.

(2) Depreciation method

Category	Depreciation method	Depreciable life	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line depreciation method	3-38 years	1%-10%	31.67%-3.17%
Machinery equipment	Straight-line depreciation method	2-11 years	1%-10%	47.50%-8.18%
Transportation equipment	Straight-line depreciation method	5-10 years	1%-10%	19.00%-9.50%
Electronic equipment	Straight-line depreciation method	2-8 years	1%-10%	47.50%-11.88%
Other equipment	Straight-line depreciation method	5 years	5%-10%	19.00%-18.00%

The Company’s fixed assets are mainly classified into: buildings and structures, machinery and equipment, electronic equipment, transportation equipment, etc. The depreciation method is the average annual limit method. The service lives and estimated residual values of fixed assets are determined according to the nature and utilization of each category of fixed assets. At the end of the year, the service lives, estimated residual values and depreciation methods of fixed assets are reviewed, and adjustments are made accordingly if there are differences from the original estimates. All fixed assets are depreciated, except for fully depreciated fixed assets that continue to be used and land that is separately accounted for.

25. Construction in Progress

The Company’s construction in progress is divided into two types: Construction on a self-operation basis and a contracted basis. The criteria and time point for carrying forward construction in progress to fixed assets are based on the construction in progress reaching its intended state of use. The standard for determining the intended usable condition shall be one of the following: The physical construction (including installation) of the fixed assets has been fully completed or substantially completed; production or trial operation has been conducted, and the results show that the assets can operate normally or can steadily produce qualified products, or the results of the trial operation show that they can function normally or operate; the amount of expenditure on the fixed assets constructed is little or almost no longer incurred; the fixed assets acquired have met the design or contract requirements, or are substantially consistent with the design or contract requirements.

26. Borrowing Costs

(1) Recognition principles for the capitalization of borrowing costs

If the borrowing costs incurred by the Company can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions, they shall be capitalized and included in the costs of the underlying assets; other borrowing costs recognized as costs according to the amount incurred shall be included in the profit and loss for the current period. Assets eligible for capitalization refer to assets, such as fixed assets, investment properties, and inventories that require a long period for their acquisition or production activities to reach the expected usable or saleable status.

(2) Calculation of capitalization amount

The capitalization period refers to the period from when the capitalization of borrowing costs starts to when the capitalization stops. The period during which capitalization of borrowing costs is suspended is not included. Capitalization of borrowing costs shall be suspended if there is an abnormal interruption in the course of acquisition or production and the interruption lasts for more than three consecutive months.

Borrowing of special borrowings is determined by the interest expense incurred in the period of the special borrowings, less the interest revenue expenditure earned by depositing the unused borrowed funds in banks or the investment income earned by making temporary investments; the appropriation of general borrowings is determined by multiplying the weighted average amount of asset expenses over the portion of special borrowings by the capitalization rate of the general borrowings appropriated, which is the weighted average interest rate of general borrowings; if there is a discount or premium on borrowings, the amount of discount or premium to be amortized in each accounting period is determined by the effective interest rate method. The amount of interest is adjusted for each period.

The effective interest rate method is a method of calculating the amortized discount or premium or interest expense on a borrowing based on its effective interest rate. The effective interest rate method calculates the amortized discount or premium or interest expense on a borrowing based on its effective interest rate.

27. Living Assets

Not applicable

28. Oil and Gas Assets

Not applicable

29. Intangible Assets

(1) Pricing method of intangible assets

The Company initially measures the intangible assets at cost. For the acquired intangible assets, the actual prices paid and related expenses shall be regarded as the actual costs. The actual cost of intangible assets invested by investors shall be recognized according to the value agreed upon in the investment contract or agreement. In case of unfair contract or agreement, the actual cost shall be recognized according to the fair value. The cost of self-developed intangible assets shall be the total expenditure incurred before they reach the intended use.

(2) Service life and its determination basis, estimation, amortization method, or review procedure

Intangible assets with finite service lives are amortized using the methods presented in the table below over their service lives, and the service lives and amortization methods of intangible assets are reviewed at the end of the year and adjusted accordingly if there are differences from the original estimates. Intangible assets with indefinite service lives are not amortized, but are reviewed at the end of the year for service lives and estimated when there is conclusive evidence that the service life is finite.

The useful life and its determination basis and amortization method of intangible assets with restricted useful life:

Category	Useful life	Determination basis of useful life	Amortization method
Land use right	20-50 years	Duration of land use rights	Method of line
Patent use right	5-20 years	Expected number of years of benefit	Method of line
Software	3-10 years	Expected number of years of benefit	Method of line
Trademark right	3-10 years	Expected number of years of benefit	Method of line
Other	3-10 years	Expected number of years of benefit	Method of line

The intangible assets are regarded as intangible assets with uncertain service life if the term during which they can bring economic benefits to the Company is unforeseeable or if their usage period is uncertain. The bases for determining of uncertain service life are: The intangible assets come from contractual or other legal rights, but the contract or laws have no certain stipulations of the service life; the term during which the intangible assets bring economic benefits to the Company is still unforeseeable even with consideration of peer status or demonstrations of related professionals.

At the end of each year, the review of service life of intangible assets with uncertain service life mainly adopts the method of reviewing from lower department to upper department, where departments related to the use of intangible assets shall conduct the basic review and make assessment of whether the determining basis of uncertain service life changes.

(3) The scope of R&D expenditure collection and the related accounting treatment

The scope of the Company's R&D expenditures is mainly formulated based on the Company's research and development projects, which mainly includes: R&D personnel's employee remuneration, direct input expenses, depreciation expenses and long-term amortization expenses, design expenses, equipment commissioning expenses, amortization expenses of intangible assets, commissioned external research and development expenses, and other expenses, etc.

Expenditures incurred during the research phase of an internal research and development project are recognized in profit or loss when incurred; expenditures incurred during the development phase that meet the conditions for recognition as an intangible asset are transferred to intangible asset accounting.

Specific criteria for dividing the research phase and development phase of internal research and development projects: The expenditures in internal research and development projects of the Company are classified into expenditures in research stage and expenditures in development stage. The expenditures in research stage are included in the current profits and losses when incurred. The expenditures in development stage are recognized as intangible assets when meeting the following conditions:

1) The completion of the intangible assets makes it technically feasible for using or selling;

2) Having the intention to complete and use or sell the intangible assets;

3) The way in which an intangible asset generates economic benefits, including the proof that the products produced with the intangible assets can be sold in a market or the proof of its usefulness if the intangible assets can be sold in a market and will be used internally;

4) Having sufficient technical, financial resources and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;

5) Expenditure attributable to the development stage of intangible assets can be measured reliably.

The cost of self-developed intangible assets includes the total expenditure incurred after meeting intangible assets recognition criterion and before reaching intended use. Expenditures that have been expensed in previous periods are no longer adjusted.

30. Impairment of Long-term Assets

For long-term assets having the indication of impairment on balance sheet date such as long-term equity investments, investment property measured in cost mode, fixed assets, construction in progress, productive living assets measured in cost mode, oil and gas assets, and intangible assets, the Company shall test the impairment. If the impairment test results indicate that the recoverable amount of the asset is lower than its book value, the impairment provision shall be made at the difference and included in the impairment loss.

The recoverable amount is the higher of the fair value of the asset minus the disposal cost and the present value of the expected future cash flow of the asset. The provision for impairment of assets is calculated and recognized on the basis of individual assets. If it is difficult to estimate the recoverable amount of individual assets, the recoverable amount of the asset group shall be recognized by the asset group to which the asset belongs. The asset group is the smallest portfolio of assets that can generate cash inflows independently.

Goodwill presented separately in the financial statements shall be tested for impairment every year, whether or not there is any indication of impairment. The book value of the goodwill shall be apportioned to the asset group or portfolio of asset groups that is expected to benefit from the synergies of the business combination when the impairment test is conducted. The corresponding impairment loss is recognized if the test results indicate that the recoverable amount of the asset group or portfolio of asset groups containing the apportioned goodwill is lower than its book value. The amount of the impairment loss shall offset the book value of the goodwill apportioned to the asset group or portfolio of asset groups, and offset the book value of other assets in proportion according to the proportion of the book value of other assets except the goodwill in the asset group or portfolio of asset groups.

Once the impairment loss of the above asset is recognized, the portion that the value is restored will not be written back in subsequent periods.

31. Long-term Prepaid Expense

Long-term prepaid expense refers to general expenses with the apportioned period over one year (excluding one year) that have occurred but are attributable to the current and future periods. Long-term prepaid expense shall be amortized averagely within benefit period. In case of no benefit in the future accounting period, the amortized value of such item that fails to be amortized shall be transferred into the current profits and losses.

32. Contract Liabilities

The Company presents the obligations to transfer goods or provide services to customers for consideration received or receivable from customers as contract liabilities. Contract assets and contract liabilities under the same contract are presented net: if the net amount results in a debit balance, it is presented in “Contract Assets” or “Other Non-current Assets” based on its liquidity; if the net amount results in a credit balance, it is presented in “Contract Liabilities” or “Other Non-current Liabilities” based on its liquidity. Contract assets and contract liabilities under different contracts cannot be offset against each other.

33. Employee benefits

Employee benefits refer to all forms of remuneration or compensation given by the Company for services rendered by employees or for the termination of employment relationships. Employee benefits mainly include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(1) Accounting treatment of the short-term remuneration

The short-term compensation actually happened during the accounting period when the active staff offering the service for the Company should be recognized as liabilities and is included in the current profits and losses except for those required or allowed to be included in the assets cost by the Accounting Standards for Business Enterprises. The employee services benefits actually happened in the Company shall be included in the current profits and losses or relevant assets cost according to the actual amount. Of which the non-monetary benefits should be measured according to the fair value. During the accounting term in which employees provide service, the Company calculates and determines the corresponding payroll amount in accordance with the withdrawal basis and withdrawal proportion specified in regulations with the social insurance premiums such as medical insurance premiums, industrial injury insurance premium and birth insurance premium, housing fund, and the labor union budget and employee education budget withdrawn in regulations, and then recognizes it as liabilities that are included in the current profits and losses or relevant assets cost.

(2) Accounting treatment of the welfare after demission

The payable and deposit amount calculated according to the defined contribution plan during the accounting period when the active staff offering the service for the Company is recognized as liabilities and is included in the current profits and losses or relevant assets cost. The benefit obligations arising from the defined benefit plan shall be attributable to the period in which the employees provide services based on the formula determined by expected cumulative welfare unit method and included in current profits and losses or cost of relevant asset.

(3) Accounting treatment of the demission welfare

When offering the demission welfare, the Company shall recognize the payroll liabilities incurred from the demission welfare on the earlier of the date when the Company could not unilaterally withdraw the demission welfare offered by the plan or layoff proposal owing to termination of the labor relationship or the date when the Company recognizes the cost related to the reorganization of the payment of the demission welfare, and include the payroll liabilities into the current profits and losses:

(4) Accounting treatment of the welfare of other long-term staffs

The other long-term welfare that the Company offers to the staff, if met with the setting drawing plan, shall be disposed of according to the relevant setting drawing plan; except for that, net liabilities or net assets of the welfare of other long-term staff shall be recognized and measured according to the setting drawing plan.

34. Provisions

The obligation pertinent to contingencies shall be recognized as provisions when that obligation is a current obligation of the Company, and it is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation, while the amount of the obligation can be measured in a reliable way. The Company conducts the initial measurement in accordance with the best estimate of the necessary expenses for the performance of the current obligation. If there is a sequent range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined in accordance with the midpoint estimate within the range; if the contingencies concern two or more items, the best estimate shall be calculated and determined in accordance with all possible outcomes and the relevant probabilities.

Review of the book value of provisions shall be conducted on the balance sheet date. The book value shall be adjusted in accordance with the current best estimate when there is definite evidence indicating that the book value cannot reflect the current best estimate in faithfulness.

35. Share-based Payment

Not applicable

36. Other Financial Instruments such as Preference Shares and Perpetual Bonds

Not applicable

37. Revenue

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

The Company recognizes revenue based on the transaction price apportioned to the performance obligation in a contract when the customer obtains control of the underlying good or service. Obtaining control of related goods refers to that customers can control the use of the goods and obtain almost all the economic benefits from the goods. A performance obligation is a contractual commitment by the Company to transfer a clearly distinguishable commodity to a customer. The transaction price is the amount of consideration that the Company expects to be entitled to receive as a result of the transfer of the commodity to the customer, excluding amounts collected on behalf of third parties and amounts that the Company expects to return to the customer.

Whether the performance obligation is to be fulfilled within a certain period of time or at a certain point in time depends on the terms of the contract and the relevant legal provisions. If the performance obligation is fulfilled within a certain period of time, the Company recognizes revenue in accordance with the progress of performance. Otherwise, the Company recognizes revenue at a point in time when the customer obtains control of the underlying asset.

The Company determines whether the Company's status is that of a principal or agent when engaging in a transaction based on whether it has control over the goods or services prior to transferring them to the customer. If the Company is able to control the goods or services before transferring them to the customer, the Company is the principal responsible party and recognizes revenue based on the total consideration received or receivable. Otherwise, the Company shall recognize revenue as an agent based on the amount of commissions or fees to which it is expected to be entitled, which shall be determined at the net amount of the total consideration received or receivable less the price payable to other related parties, or at the established commission amount or percentage, etc.

Specific principles and measurement methods for revenue recognition by business type: The Company recognizes revenue from general lighting products, LED packaging and component products, automotive lamp products, trading and other products as follows:

(1) Recognition of domestic sales revenue: Under the conventional settlement mode, the Company has delivered goods that have passed inspection to the purchaser as required by the purchaser, the amount of revenue has been determined, a sales invoice has been issued and the payment has been received or is expected to be recovered; under the consignment sales settlement mode, the Company recognizes sales revenue when the product is issued and the settlement notice is issued after the customer inspection is qualified.

(2) Recognition of export sales revenue: The Company has produced goods according to the requirements stipulated in the sales contract, and completed the export declaration procedures after the goods have passed inspection; products have been loaded on board; the amount of revenue has been determined, an export sales invoice has been issued, and the payment has been received or is expected to be recovered.

Different business models for the same type of business involving different revenue recognition and measurement methods:

None.

38. Contract Costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer. Incremental costs of obtaining a contract (“contract acquisition costs”) are costs that won’t have been incurred if the contract is not acquired. The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs.

Costs incurred for the performance of a contract that do not fall within the scope of other enterprise accounting standards, such as inventory, are recognized as an asset as contract performance costs when the following conditions are simultaneously met: The cost is directly related to a current or anticipated acquisition of a contract and includes direct labor, direct materials, manufacturing overhead (or similar costs), costs explicitly attributable to the user, and other costs incurred solely as a result of that contract; the cost increases the resources available to meet future performance obligations; and the cost is expected to be recovered.

Contract performance costs recognized as assets are included in “Inventory” on the balance sheet if the amortization period at the initial recognition doesn’t exceed one year or one normal operating cycle; if the amortization period at the initial recognition is more than one year or one normal operating cycle, they are included in “Other non-current assets” on the balance sheet.

Contract acquisition cost recognized as assets are included in “Other current assets” on the balance sheet if the amortization period at the initial recognition doesn’t exceed one year or one normal operating cycle; if the amortization period at the initial recognition is more than one year or one normal operating cycle, they are included in “Other non-current assets” on the balance sheet.

The Company amortizes the assets recognized for contract acquisition costs and contract performance costs on the same basis as the revenue recognition of the merchandise to which the assets relate, and recognizes them in profit or loss for the current period. Assets formed from the incremental cost of acquiring a contract with an amortization period of not more than one year are recognized in profit or loss for the current period when it occurs.

If the carrying amount of an asset related to the cost of a contract exceeds the difference between the following two items, the Company makes an allowance for impairment and recognizes an asset impairment loss for the excess: the remaining consideration expected to be received for the transfer of the merchandise to which the asset relates; and the estimated costs to be incurred for the transfer of the related merchandise.

If the two differences above are higher than the book value of the assets due to the subsequent changes in the impairment factors in previous periods, the asset impairment provisions set aside should be reversed and recognized as profit and loss of the current period. However, upon the reversal, the book value of the assets shall not exceed the book value of the assets on the reversal date, supposing that impairment provisions are not set aside.

39. Government Subsidies

(1) Category of and accounting treatment for government subsidies

Government subsidies refer to the monetary assets or non-monetary assets obtained by the Company from the government (excluding the capital invested by the government as an equity holder). If a government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value, and shall be measured at a nominal amount when the fair value cannot be obtained reliably.

Government subsidies related to the daily activities are included in other income in accordance with the nature of economic business. Government subsidies unrelated to the daily activities are included in non-operating revenue.

Government subsidies are recognized as asset-related subsidies when stipulated by government documents to be used for acquisition, construction or otherwise formation long-term assets. Regarding the government grants that the government document does not specify the object of subsidy and can form long-term assets, the part of government subsidy corresponding to the asset value shall be regarded as the asset-related government subsidy and the rest shall be regarded as income-related government subsidy. If it is difficult to distinguish, the government subsidy shall be regarded as the income-related government subsidy. Government grants related to assets are recognized as deferred income. The amount recognized as deferred income is included in the current profits and losses in accordance with reasonable and systematic method in the useful life of relevant assets.

Government subsidies other than asset-related government subsidies are recognized as government subsidies related to income. Government subsidies related to income used to compensate the relevant costs, expenses or losses of the Company in the subsequent period shall be recognized as deferred income, and shall be included in the current profit and loss during the period of confirming the relevant cost, expenses or losses; subsidies used to compensate the relevant costs, expenses or losses incurred by the Company shall be directly included in the current profits and losses.

In the case that the Company obtains a policy favorable loan interest subsidy, and the fiscal system allocates the fund of interest subsidy to the lending bank, who provides loans to the Company at a policy favorable interest rate, the actual loan amount received is recognized as the recorded value of the loan, and the relevant borrowing costs are calculated based on the loan principal and the policy favorable interest rate; if the fiscal system allocates the fund of interest subsidy to the Company directly, the Company reduces the corresponding interest subsidy against relevant borrowing costs.

(2) Recognition time of government subsidies

Government subsidies shall be recognized when the Company satisfies the conditions attached to the government subsidies and is able to receive them. Government subsidies measured according to the receivable amount shall be recognized when there is positive evidence at the end of the period that they can meet the relevant conditions stipulated by the financial support policies and are expected to receive financial support funds. Other government subsidies other than government subsidies measured by amount receivable are recognized when the Company actually receives the subsidies.

40. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Recognition of deferred income tax

The Company recognizes the deferred income tax assets or deferred income tax liabilities in accordance with the applicable tax rate during the estimated period of recapturing the assets or paying the liabilities for the different amount between the book value of assets or liabilities and its tax base (for items not recognized as assets and liabilities, if its tax basis can be determined according to the tax law, the tax basis is recognized as the different amount).

(2) Measurement of deferred income tax

The recognition of deferred income tax assets is subject to the amount of taxable income obtained to offset the deductible temporary differences. On the balance sheet date, deferred income tax assets without recognition during the former accounting period shall be recognized if there are definite indications representing that it is probable to have sufficient taxable income to offset the deductible temporary differences during the future period. If it is likely that sufficient taxable income will not be available to offset the benefit of the deferred income tax assets in the future period, the book value of the deferred income tax assets will be written down.

For taxable temporary differences related to the investment in subsidiaries and associated enterprises, the deferred income tax liabilities are recognized unless the time of temporary differences reversal can be controlled by the Company and are probably not to be reversed in foreseeable future. For deductible temporary differences related to the investment in subsidiaries and associated enterprises, the deferred income tax assets are recognized if the temporary differences are probably to be reversed in foreseeable future and it is likely to have taxable income to offset the deductible temporary differences.

(3) Basis for netting off deferred income taxes

Deferred income tax assets and deferred income tax liabilities are presented in net amount after offsetting when the following conditions are simultaneously met: there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; the deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity or are related to different taxable entities, but are not expected to reverse in the future in each of the periods in which the deferred income tax assets and deferred income tax liabilities are material; and the taxable entities involved intend to settle current income tax assets and current income tax liabilities on a net basis. However, in each future period in which the deferred tax assets and deferred tax liabilities are reversed, the taxable entity involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

41. Leases

The Company assesses whether a contract is a lease or contains a lease at the inception date of the contract. A contract is a lease or contains a lease if one of the parties to the contract has given up the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

(1) Accounting treatment for leases as the lessee

1) On the start date of the lease term, the Company deems the right-of-use assets and lease liabilities of all the operating leases except for the short-term leases and low-value leases, and recognizes the depreciation expense and interest expense respectively within the lease term.

① Right-of-use assets

After the commencement date of the lease term, the Group uses the cost for initial measurement of right-of-use assets. This cost includes the initial measurement amount of the lease liability, lease payments made on or before the commencement date of the lease term net of lease incentives, and initial direct cost.

If it is reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leasehold property over its estimated remaining service life. If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leased assets over the lease term or the remaining service life, whichever is shorter. When the recoverable amount is less than the carrying amount of the right-of-use asset, the carrying amount is written down to the recoverable amount.

② Lease liabilities

The Company initially measures the lease liabilities at the current value of the lease payments outstanding at the start date of the lease term. Lease payments include fixed payments and payments that are reasonably certain to be made when the option to purchase or terminate the lease is exercised. Variable lease payments that are not covered in the measurement of the lease liabilities are included in current profit or loss when actually incurred.

The Company uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the rate of discount. Interest expense on the lease liability for each period during the lease term is calculated on the basis of a fixed periodic rate, i.e., the discount rate used by the Company or a revised discount rate, and is included in finance costs.

2) Judgment criteria and accounting treatment for short-term leases and leases of low-value assets as a lessee for simplified treatment

For short-term leases with a lease term of no exceeding 12 months and leases where the brand-new value of a single asset is less than RMB40,000, the Company has elected not to recognize right-of-use assets and lease liabilities, and to charge the related rental expenses to current profit or loss or the cost of the related assets on a straight-line basis for each period during the lease term.

(2) Accounting treatment of leases as the lessor

The Company recognizes leases that transfer substantially all the risks and rewards associated with ownership of the leased asset as finance leases at the inception of the lease, and leases other than these are classified as operating leases.

1) Accounting treatment of operating leases

Rental income from operating leases is recognized on a straight-line basis over the lease term. Initial direct expenses are capitalized and recognized as current income in instalments over the lease term on the same recognition basis as rental income, and variable rentals not included in lease receipts are recognized as rental income when they are actually incurred.

2) Accounting treatment of financial lease

On the inception of a lease, the difference between the sum of finance lease receivable and unguaranteed residual value and its present value is recognized as unrealized lease income by the Company, which is recognized as lease income in each period when the rent is received in the future and the finance lease asset is derecognized. Initial direct costs are included in the initial recorded value of the finance lease receivable.

42. Other Significant Accounting Policies and Estimates

(1) Safety production expenses

Operating in the electrical machinery and equipment manufacturing industry, the Company has accrued safety production expenses in accordance with the relevant provisions of the *Management Measures for the Provision and Use of Enterprise Production Safety Costs* (C.Z. [2022] No. 136) jointly issued by the Ministry of Finance and the Ministry of Emergency Management on November 21, 2022. Safety production expenses, when accrued, are included in costs or current profit or loss of relevant products and in the “Special Reserve” account. When safety production expenses are used within the prescribed scope and are operating expenses, they are directly used to offset the special reserves. If they form fixed assets, the expenses incurred are first aggregated under the “Construction in Progress” account, and when the safety projects are completed and reach the predetermined usable state, they are recognized as fixed assets. Meanwhile, the special reserves are offset as per the cost of forming fixed assets, and an equivalent amount of accumulated depreciation is recognized. The aforesaid fixed assets will not be depreciated as accrued in the future period.

43. Changes in Main Accounting Policies and Estimates

(1) Change in accounting policies

☑ Applicable □ Not applicable

Unit: RMB

Content and reasons for the change in accounting policy	Financial statement line items significantly affected	Amount affected
On June 4, 2026, the Ministry of Finance issued the Circular on Issuing Interpretation No. 20 of the Accounting Standards for Business Enterprises (Cai Kuai〔2026〕No. 7). This Interpretation specifies two major matters: the “assessment of cash flow characteristics of financial asset contracts”, and “accounting treatment and relevant disclosures when a currency lacks convertibility”. It shall take effect as of the date of issuance. For new businesses falling within the scope stipulated by this Interpretation that arose from January 1, 2026 up to the effective date of this Interpretation, the Company shall make corresponding adjustments in accordance with the provisions hereof.	None	0.00

The Company adopted Interpretation No. 20 of the Accounting Standards for Business Enterprises effective January 1, 2026. This provision has no impact on the Company’s financial statements for the current reporting period and does not involve retrospective adjustments to prior years.

(2) Changes in accounting estimates

□ Applicable ☑ Not applicable

(3) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2026

□ Applicable ☑ Not applicable

44. Other information

None

VI. Taxes

1. Main Taxes and Tax Rates

Category of taxes	Tax basis	Tax rate
VAT	Sales volume from goods selling or taxable service	3%, 5%, 6%, 9%, 13%

Urban maintenance and construction tax	Turnover tax payable	7%, 5%
Enterprise income tax	Taxable income	Tax-free, 15%, 20%, 22%, 25%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate:

Name	Income tax rate
The Company, Zhida Company, Chanchang Company, Fozhao Optoelectronics, Liaowang Auto Lamp, Chongqing Guinuo, Liuzhou Lighting, Liuzhou Foreshine, Qingdao Lighting, NationStar Optoelectronics, NationStar Semiconductor, Fenghua Semiconductor, Hainan Technology, Hule Electrical, NationStar Germany (note 1) and Xinxiang Company	15%
Thailand Company	Tax-free
Airtrust	20%
Indonesia Liaowang (note 2)	22%
Other subsidiaries	25%

Note 1: NationStar Germany, a wholly-owned subsidiary of the subsidiary Fozhao Optoelectronics, is registered in Germany. In accordance with local tax policies, it is subject to corporate income tax at a tax rate of 15%.

Note 2: Liaowang Indonesia, a wholly-owned subsidiary of the subsidiary Liaowang Auto Lamp, is registered in Indonesia. In accordance with local tax policies, it is subject to corporate income tax at a tax rate of 22%.

2. Tax Preference

(1) The Company passed the review as an Innovation Company in December 2023 and obtained the Innovation Company certificate (Certificate No. GR202344003659). According to relevant regulations, the Company is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2023. Pursuant to the relevant provisions of the Enterprise Income Tax Law of the People’s Republic of China, the Company shall prepay enterprise income tax at a tax rate of 15% for 2026.

(2) Subsidiary Zhida Company passed the review as an Innovation Company in December 2025 and obtained the Innovation Company certificate (Certificate No.: GR202544000734). According to the relevant regulations, Zhida Company is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2025.

(3) Subsidiary Chanchang Company passed the review as an “Innovation Company” in November 2024 and obtained the Innovation Company certificate (Certificate No.: GR202444001793). According to the relevant regulations, Chanchang Company is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2024.

(4) Subsidiary Fozhao Optoelectronics passed the review as an Innovation Company in December 2025 and obtained the Innovation Company certificate (Certificate No. GR202544000737). According to relevant regulations, Fozhao Optoelectronics is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2025.

(5) Subsidiary Liaowang Auto Lamp passed the review as an Innovation Company in December 2023 and obtained the Innovation Company certificate (Certificate No. GR202345001098). According to relevant regulations, Liaowang Auto Lamp is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2023. Pursuant to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, Liaowang Auto Lamp shall prepay enterprise income tax at a tax rate of 15% for 2026.

(6) Chongqing Guinuo, a wholly-owned subsidiary of Liaowang Auto Lamp, enjoys the tax incentives of reducing and exempting enterprise income tax for the development of western China since January 1, 2019, and is entitled to a reduced enterprise income tax rate of 15% after examination by and filing with the tax authorities.

(7) Liuzhou Lighting, a wholly-owned subsidiary of Liaowang Auto Lamp, passed the review as an Innovation Company in December 2025 and obtained the Innovation Company certificate (Certificate No.: GR202545000255). According to relevant regulations, Liuzhou Lighting will pay enterprise income tax at a reduced rate of 15% for three years starting from 2025.

(8) Liuzhou Foreshine, a wholly-owned subsidiary of Liaowang Auto Lamp, passed the review as an Innovation Company in November 2024 and the Innovation Company certificate (Certificate No.: GR202445000159). According to relevant regulations, Liuzhou Fuxuan will pay enterprise income tax at a reduced rate of 15% for three years starting from 2024.

(9) Qingdao Lighting, a wholly-owned subsidiary of Liaowang Auto Lamp, passed the review as an Innovation Company in December 2025 and obtained the Innovation Company certificate (Certificate No.: GR202237100785). According to relevant regulations, Qingdao Lighting will pay enterprise income tax at a reduced rate of 15% for three years starting from 2025.

(10) Subsidiary NationStar Optoelectronics passed the review as an Innovation Company in December 2023 and obtained the Innovation Company certificate (Certificate No. GR202344017343). According to relevant regulations, NationStar Optoelectronics will pay enterprise income tax at a reduced rate of 15% for three years starting from 2023. Pursuant to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, NationStar Optoelectronics shall prepay enterprise income tax at a tax rate of 15% for 2026.

(11) NationStar Semiconductor, a wholly-owned subsidiary of NationStar Optoelectronics, passed the review as an Innovation Company in November 2024 and obtained the Innovation Company certificate (Certificate No.: GR202444004544). According to relevant regulations, NationStar Semiconductor will pay enterprise income tax at a reduced rate of 15% for three years starting from 2024.

(12) Fenghua Semiconductor, a majority-owned subsidiary of NationStar Optoelectronics, passed the review as an Innovation Company in December 2024 and obtained the Innovation Company certificate (Certificate No.: GR202444013633) According to relevant regulations, Fenghua Semiconductor will pay enterprise income tax at a reduced rate of 15% for three years starting from 2024.

(13) Subsidiary Hainan Technology was recognized as an Innovation Company in October 2024 and obtained the Innovation Company certificate (Certificate No.: GR202446000187). According to relevant regulations, Hainan Technology is entitled to pay enterprise income tax at a reduced rate of 15% for three years starting from 2024.

(14) Hule Electrical, a majority-owned subsidiary of Hainan Technology, was recognized as an Innovation Company in December 2023 and obtained the Innovation Company certificate (Certificate No.: GR202333010552). According to relevant regulations, Hule Electrical is entitled to pay enterprise income tax at a reduced rate of 15% for three years starting from 2023. Pursuant to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China, Hule Electrical shall prepay enterprise income tax at a tax rate of 15% for 2026.

(15) Subsidiary Xinxiang Company was recognized as an Innovation Company in October 2024 and obtained the Innovation Company certificate (Certificate No.: GR202441001673). According to relevant regulations, Xinxiang Company is entitled to pay enterprise income tax at a reduced rate of 15% for three years starting from 2024.

(16) The subsidiary, Airtrust, is a "Small Low-Profit Enterprise". According to relevant regulations, the policy of calculating taxable income at a reduced rate of 25% and paying corporate income tax at a rate of 20% for a "Small Low-Profit Enterprise" will continue until December 31, 2027. From January 1, 2023 to December 31, 2027, resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding securities transaction stamp duty), cultivated land occupation tax, and education surcharge and local education surcharge will be levied at half the rate for a "Small Low-Profit Enterprise".

(17) Thailand Company, a subsidiary of subsidiary Fozhao Optoelectronics, is registered in Thailand. According to local tax policies, profits up to 300,000 Thai Baht are exempt from taxation.

3. Other information

Taxes have been paid in accordance with the relevant provisions of the tax law.

VII Notes to Main Items of Consolidated Financial Statements

1. Monetary Assets

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	25,517.85	33,030.81
Bank deposits	794,152,449.59	1,498,436,755.78
Other monetary assets (note 1)	485,737,173.43	647,818,448.10
Money deposited in finance company (note 2)	1,109,454,612.15	1,304,152,847.36
To-be-received interest (note 3)	4,099,989.62	5,302,009.12
Total	2,393,469,742.64	3,455,743,091.17
Of which: Total amount deposited overseas	51,413,838.80	66,844,431.32

Other notes:

Note 1: Other monetary assets were security deposits for notes and performance bonds, pre-sold property proceeds, as well as investments placed with security firm and the balance with third-party payment platforms, of which the security deposits for notes and performance bonds as well as pre-sold property proceeds were restricted assets (see “31. Assets with Restricted Ownership or Right of Use” in Note “VII”).

Note 2: Deposits placed with finance companies referred to the amount deposited with Guangdong Rising Finance Co., Ltd.

Note 3: To-be-received interest was interest receivable on undue bank deposits and term deposits as at the end of the Reporting Period, which was not recognized as cash and cash equivalents.

2. Trading Financial Assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	2,106,282.55	2,768,997.33
Including:		
Equity instrument investments	2,106,282.55	2,768,997.33
Total	2,106,282.55	2,768,997.33

3. Derivative Financial Assets

None.

4. Notes Receivable

(1) Notes Receivable Disclosed by Category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	641,249,462.95	628,480,403.75
Commercial acceptance bill	112,012,434.57	104,354,748.40
Total	753,261,897.52	732,835,152.15

(2) Disclosure by the Bad Debt Provision Method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Notes receivable with bad debt provision on an individual basis										
Notes receivable with bad debt provision on a portfolio basis	755,560,835.78	100.00%	2,298,938.26	0.30%	753,261,897.52	734,965,033.34	100.00%	2,129,881.19	0.29%	732,835,152.15
Of which:										
Bank acceptance bill	641,249,462.95	84.87%	0.00	0.00%	641,249,462.95	628,480,403.75	85.51%	0.00	0.00%	628,480,403.75
Commercial acceptance bill	114,311,372.83	15.13%	2,298,938.26	2.01%	112,012,434.57	106,484,629.59	14.49%	2,129,881.19	2.00%	104,354,748.40
Total	755,560,835.78	100.00%	2,298,938.26	0.30%	753,261,897.52	734,965,033.34	100.00%	2,129,881.19	0.29%	732,835,152.15

Category names of bad debt provision on a portfolio basis: Bank acceptance bill, Commercial acceptance bill.

Unit: RMB

Name	Closing balance		
	Gross amount	Bad debt provision	Provision percentage (%)
Within 1 year	755,560,835.78	2,298,938.26	0.30%
Total	755,560,835.78	2,298,938.26	

A description of the basis for determining the portfolio:

See Note V-13. Accounts Receivable.

If bad debt provision for notes receivable is provided for under the general model of expected credit losses:

□ Applicable ☑ Not applicable

(3) Bad Debt Provision Provided for, Recovered or Reversed during the Period

Bad debt provision during the period:

Unit: RMB

Category	Opening balance	Changes for the period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Notes receivable with bad debt provision on a portfolio basis	2,129,881.19	169,057.07				2,298,938.26
Total	2,129,881.19	169,057.07				2,298,938.26

Of which, bad debt provision with a significant recovered or reversed amount during the period:

□ Applicable ☑ Not applicable

(4) Notes Receivable Pledged by the Company as at the End of the Period

Unit: RMB

Item	Amount pledged as at the end of the period
Bank acceptance bill	419,208,184.04
Total	419,208,184.04

(5) Notes Receivable Endorsed or Discounted by the Company That Were not yet Due as at the Balance Sheet Date

Unit: RMB

Item	Derecognized amount as at the end of the period	Amount not derecognized as at the end of the period
Bank acceptance bill	73,423,012.68	152,278,185.39
Commercial acceptance bill		1,271,079.60
Total	73,423,012.68	153,549,264.99

(6) Notes Receivable Written off during the Period

None.

5. Accounts Receivable

(1) Disclosure by Aging

Unit: RMB

Aging	Gross amount at period-end	Gross amount at period-beginning
Within 1 year (including 1 year)	1,986,786,540.41	2,052,722,441.79
1 to 2 years	90,714,478.56	118,636,510.81
2 to 3 years	67,351,169.01	60,271,415.93
Over 3 years	137,175,392.04	140,365,035.54
3 to 4 years	51,046,670.70	51,225,665.54
4 to 5 years	39,612,340.30	54,131,540.70
Over 5 years	46,516,381.04	35,007,829.30
Total	2,282,027,580.02	2,371,995,404.07

(2) Disclosure by the Bad Debt Provision Method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Accounts receivable with bad debt provision on an individual basis	83,285,340.52	3.65%	67,135,340.46	80.61%	16,150,000.06	108,762,538.90	4.59%	75,756,278.52	69.65%	33,006,260.38
Accounts receivable with bad debt provision on a portfolio basis	2,198,742,239.50	96.35%	128,917,929.85	5.86%	2,069,824,309.65	2,263,232,865.17	95.41%	122,913,841.77	5.43%	2,140,319,023.40
Of which:										
Business portfolio of	1,476,524,140.18	64.70%	113,478,203.24	7.69%	1,363,045,936.94	1,489,401,022.52	62.79%	106,212,902.46	7.13%	1,383,188,120.06

general lighting and auto lamps										
Business portfolio of LED packaging and components	722,218,099.32	31.65%	15,439,726.61	2.14%	706,778,372.71	773,831,842.65	32.62%	16,700,939.31	2.16%	757,130,903.34
Total	2,282,027,580.02	100.00%	196,053,270.31	8.59%	2,085,974,309.71	2,371,995,404.07	100.00%	198,670,120.29	8.38%	2,173,325,283.78

Category name of bad debt provision on an individual basis: Accounts receivable with bad debt provision on an individual basis.

There were no significant accounts receivable with bad debt provision on an individual basis during the period or in other periods.

Category names of bad debt provision on a portfolio basis: Business portfolio of general lighting and auto lamps, Business portfolio of LED packaging and components.

Unit: RMB

Name	Closing balance		
	Gross amount	Bad debt provision	Provision percentage (%)
Business portfolio of general lighting and auto lamps	1,476,524,140.18	113,478,203.24	7.69%
Business portfolio of LED packaging and components	722,218,099.32	15,439,726.61	2.14%
Total	2,198,742,239.50	128,917,929.85	

A description of the basis for determining the portfolio:

See Note V-13. Accounts Receivable.

If bad debt provision for accounts receivable is provided for under the general model of expected credit losses:

□ Applicable ☑ Not applicable

(3) Bad Debt Provision Provided for, Recovered or Reversed during the Period

Bad debt provision during the period:

Unit: RMB

Category	Opening balance	Changes for the period					Closing balance
		Provision	Reversal of write-offs from prior periods	Recovery or reversal	Write-off	Others	
Accounts receivable	75,756,278.52	-924,680.37	28,318.31	972,240.44	6,752,335.56		67,135,340.46

with bad debt provision on an individual basis							
Accounts receivable with bad debt provision on a portfolio basis	122,913,841.77	6,386,852.24			368,741.18	-14,022.98	128,917,929.85
Total	198,670,120.29	5,462,171.87	28,318.31	972,240.44	7,121,076.74	-14,022.98	196,053,270.31

Note: Others were differences arising from the translation of financial statements denominated in foreign currencies at the end of the period.

Of which, bad debt provision with a significant recovered or reversed amount during the period: None

(4) Accounts Receivable Written off during the Period

Unit: RMB

Item	Amount written off
Accounts receivable written off	7,121,076.74

Of which, significant accounts receivable written off: Not applicable

Notes to the write-off:

RMB7,121,076.74 of accounts receivable has been written off with the bad debt provision of RMB7,121,076.74, and the approval procedures have been performed in accordance with the Company's bad debt management system.

(5) Top 5 Balances of Accounts Receivable and Contract Assets by Debtor as at the End of the Period

Unit: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets	Closing balance of bad debt provision for accounts receivable and impairment provision for contract assets
No. 1	98,270,622.47		98,270,622.47	4.30%	3,128,029.96
No. 2	90,561,230.20		90,561,230.20	3.97%	2,716,836.91
No. 3	78,127,173.92		78,127,173.92	3.42%	2,348,984.73
No. 4	52,036,388.88		52,036,388.88	2.28%	1,561,091.67
No. 5	49,885,363.11		49,885,363.11	2.18%	1,496,560.85

Total	368,880,778.58		368,880,778.58	16.15%	11,251,504.12

6. Contract Assets

(1) List of Contract Assets

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Bad debt provision	Carrying amount	Gross amount	Bad debt provision	Carrying amount
Contract assets	1,126,681.30	901,345.04	225,336.26	2,253,362.60	1,802,690.08	450,672.52
Total	1,126,681.30	901,345.04	225,336.26	2,253,362.60	1,802,690.08	450,672.52

(2) Amount and Reasons for Material Changes in Carrying Amount during the Reporting Period

No material changes occurred in the carrying amount during the Reporting Period.

(3) Disclosure by the Bad Debt Provision Method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision on an individual basis										
Bad debt provision on a portfolio basis	1,126,681.30	100.00%	901,345.04	80.00%	225,336.26	2,253,362.60	100.00%	1,802,690.08	80.00%	450,672.52
Of which:										
Business portfolio of general lighting and auto lamps	1,126,681.30	100.00%	901,345.04	80.00%	225,336.26	2,253,362.60	100.00%	1,802,690.08	80.00%	450,672.52
Total	1,126,681.30	100.00%	901,345.04	80.00%	225,336.26	2,253,362.60	100.00%	1,802,690.08	80.00%	450,672.52

Category name of bad debt provision on a portfolio basis: Business portfolio of general lighting and auto lamps.

Unit: RMB

Name	Closing balance		
	Gross amount	Bad debt provision	Provision percentage (%)
Business portfolio of general	1,126,681.30	901,345.04	80.00%

lighting and auto lamps			
Total	1,126,681.30	901,345.04	

A description of the basis for determining the portfolio:

See Note V-16. Contract Assets.

Bad debt provision provided for under the general model of expected credit losses:

□ Applicable ☑ Not applicable

(4) Bad Debt Provision Provided for, Recovered or Reversed during the Period

Unit: RMB

Item	Provision	Recovered or reversed during the period	Charged off/written off during the period	Reason
Impairment provision for contract assets	-901,345.04			
Total	-901,345.04			

Of which, bad debt provision with a significant recovered or reversed amount during the period: None

(5) Contract Assets Written off during the Period

None.

7. Accounts Receivable Financing

(1) Accounts Receivable Financing Disclosed by Category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	467,728,813.47	415,949,788.02
Total	467,728,813.47	415,949,788.02

(2) Disclosure by the Bad Debt Provision Method

None.

Basis for classification into stages and provision rates of bad debt provision

See Note V-13. Accounts Receivable.

Explanation of significant changes in the gross amount of accounts receivable financing where the bad debt provision has changed during the period:

None.

(3) Bad Debt Provision Provided for, Recovered or Reversed during the Period

None.

(4) Accounts Receivable Financing Pledged by the Company as at the End of the Period

Unit: RMB

Item	Amount pledged as at the end of the period
Bank acceptance bill	26,500,000.00
Total	26,500,000.00

(5) Accounts Receivable Financing Endorsed or Discounted by the Company That Were not yet Due as at the Balance Sheet Date

Unit: RMB

Item	Derecognized amount as at the end of the period	Amount not derecognized as at the end of the period
Bank acceptance bill	1,037,272,369.50	
Total	1,037,272,369.50	

(6) Accounts Receivable Financing Written off during the Period

None.

(7) Movements in Accounts Receivable Financing and Changes in Fair Value during the Period

None.

(8) Other Notes

None.

8. Other Receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	51,718,835.85	82,678,537.89
Total	51,718,835.85	82,678,537.89

(1) Interest Receivable

None.

(2) Dividend Receivable

None.

(3) Other Receivables

1) Other Receivables Disclosed by Category of Nature

Unit: RMB

Nature	Gross amount at period-end	Gross amount at period-beginning
Performance guarantee deposits	17,138,581.16	16,916,339.82
Value-added tax (VAT) export rebates	7,578,848.42	20,284,110.73
Employee loans and petty cash	3,567,770.45	1,881,995.33
Rent and utilities	2,800,371.78	2,229,668.90
Other transactions	58,816,971.03	80,310,603.33
Total	89,902,542.84	121,622,718.11

2) Disclosure by Aging

Unit: RMB

Aging	Gross amount at period-end	Gross amount at period-beginning
Within 1 year (including 1 year)	36,473,931.63	50,304,035.90
1 to 2 years	4,138,086.62	17,170,952.38
2 to 3 years	12,534,667.90	18,350,276.26
Over 3 years	36,755,856.69	35,797,453.57
3 to 4 years	6,505,618.23	6,424,579.68
4 to 5 years	1,464,386.85	1,371,309.73
Over 5 years	28,785,851.61	28,001,564.16
Total	89,902,542.84	121,622,718.11

3) Disclosure by the Bad Debt Provision Method

☑ Applicable □ Not applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision on an individual basis	37,924,511.37	42.18%	27,319,137.62	72.04%	10,605,373.75	57,300,994.28	47.11%	27,907,191.03	48.70%	29,393,803.25
Bad debt provision on a portfolio basis	51,978,031.47	57.82%	10,864,569.37	20.90%	41,113,462.10	64,321,723.83	52.89%	11,036,989.19	17.16%	53,284,734.64
Of which:										
Deposits and guarantees	17,138,581.16	19.07%	7,931,336.74	46.28%	9,207,244.42	16,916,339.82	13.92%	7,908,738.97	46.75%	9,007,600.85
Amounts due from/to related parties	2,993,892.22	3.33%	930,352.42	31.08%	2,063,539.80	2,508,586.94	2.06%	956,601.35	38.13%	1,551,985.59
Advances and others	31,845,558.09	35.42%	2,002,880.21	6.29%	29,842,677.88	44,896,797.07	36.91%	2,171,648.87	4.84%	42,725,148.20
Total	89,902,542.84	100.00%	38,183,706.99	42.47%	51,718,835.85	121,622,718.11	100.00%	38,944,180.22	32.02%	82,678,537.89

Category name of bad debt provision on an individual basis: Bad debt provision on an individual basis.

Accounts receivable with bad debt provision on an individual basis in the period and the prior period:

Unit: RMB

Name	Opening balance		Closing balance			
	Gross amount	Bad debt provision	Gross amount	Bad debt provision	Provision percentage (%)	Basis for provision
Wuxi Yixin Optoelectronics Technology Co., Ltd.	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	100.00%	Recovery of the amount is considered unlikely.
Industrial and Commercial Bank of China, Foshan Branch	15,883,375.00	476,501.25	10,933,375.00	328,001.25	3.00%	Based on litigation in the period, a bad debt provision is made on an individual basis.
Infore Robotics & Automation Co., Ltd.	14,419,514.95	432,585.45				
Total	50,302,889.95	20,909,086.70	30,933,375.00	20,328,001.25		

Category names of bad debt provision on a portfolio basis: Deposits and guarantees, Amounts due from/to related parties, Advances and others.

Unit: RMB

Name	Closing balance		
	Gross amount	Bad debt provision	Provision percentage (%)
Deposits and guarantees	17,138,581.16	7,931,336.74	46.28%
Amounts due from/to related parties	2,993,892.22	930,352.42	31.08%
Advances and others	31,845,558.09	2,002,880.21	6.29%
Total	51,978,031.47	10,864,569.37	

A description of the basis for determining the portfolio:

See Note V-13. Accounts Receivable.

Bad debt provision provided for under the general model of expected credit losses:

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit losses (not credit-impaired)	Lifetime expected credit losses (credit-impaired)	
Balance as at January 1, 2026	1,528,699.76	9,508,289.43	27,907,191.03	38,944,180.22
Balance as at January 1, 2026 in the period				
Provided for during the	-401,767.62	255,360.17	-588,053.41	-734,460.86

period				
Other changes	-26,012.37			-26,012.37
Balance as at June 30, 2026	1,100,919.77	9,763,649.60	27,319,137.62	38,183,706.99

Basis for classification into stages and provision rates of bad debt provision

See Note V-13. Accounts Receivable.

Explanation of material changes in gross amount arising from movements in loss allowance during the period

□ Applicable ☑ Not applicable

4) Bad Debt Provision Provided for, Recovered or Reversed during the Period

Bad debt provision during the period:

Unit: RMB

Category	Opening balance	Changes for the period				Closing balance
		Provision	Recovery or reversal	Charge off or write off	Others	
Other receivables	38,944,180.22	-734,460.86			-26,012.37	38,183,706.99
Total	38,944,180.22	-734,460.86			-26,012.37	38,183,706.99

Of which, bad debt provision with a significant recovered or reversed amount during the period: None.

5) Other Receivables Written off during the Period

None.

6) Top 5 Balances of Other Receivables by Debtor as at the End of the Period

Unit: RMB

Name of the entity	Nature	Closing balance	Aging	Proportion to total closing balance of other receivables %	Closing balance of bad debt provision
Wuxi Yixin Optoelectronics Technology Co., Ltd.	Other transactions	20,000,000.00	Over 5 years	22.25%	20,000,000.00
Industrial and Commercial Bank of China, Foshan Branch	Other transactions	10,933,375.00	Within 3 years	12.16%	328,001.25
Guangdong Provincial Tax Service, State Taxation Administration	Value-added tax (VAT) export rebates	7,578,848.42	Within 1 year	8.43%	227,365.45
Jiangsu Fozhao Contract Energy Management Development Co.,	Other transactions	5,000,000.00	Within 4 years	5.56%	5,000,000.00

Ltd.					
Individual social security contributions withheld and paid by the Company	Other transactions	3,839,057.79	Within 1 year	4.27%	139,813.26
Total		47,351,281.21		52.67%	25,695,179.96

7) Other receivables Presented due to Centralized Management of Funds

None.

9. Prepayments

(1) Prepayments Disclosed by Aging

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	34,419,421.48	79.40%	42,210,473.83	84.78%
1 to 2 years	2,995,359.91	6.91%	3,276,728.21	6.58%
2 to 3 years	2,199,262.99	5.07%	1,563,537.85	3.14%
Over 3 years	3,738,152.67	8.62%	2,739,309.42	5.50%
Total	43,352,197.05		49,790,049.31	

Notes of the reasons of the prepayment aging over 1 year with significant amount but failed settled in time: None.

(2) Top 5 Balances of Prepayments by Debtor as at the End of the Period

Unit: RMB

Name of the entity	Relationship with the Company	Closing balance	Aging	Proportion to total prepayments
No. 1	Non-Related Party	10,934,166.52	Within 1 year	25.22%
No. 2	Non-Related Party	2,063,653.37	Within 2 year	4.76%
No. 3	Non-Related Party	1,949,197.49	Within 1 year	4.50%
No. 4	Non-Related Party	1,536,648.28	Within 1 year	3.54%
No. 5	Non-Related Party	1,230,771.73	Within 1 year	2.84%
Total		17,714,437.39		40.86%

10. Inventories

Whether the Company needs to comply with the disclosure requirements for the real estate industry

No

(1) Category of Inventories

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Provisions for inventory	Carrying amount	Gross amount	Provisions for inventory	Carrying amount

		impairments or impairment provisions for contract performance costs			impairments or impairment provisions for contract performance costs	
Raw materials	522,711,299.82	17,437,427.63	505,273,872.19	355,222,010.08	17,408,072.98	337,813,937.10
Goods in process	272,173,170.99		272,173,170.99	254,192,102.97		254,192,102.97
Inventory goods	1,399,128,001.43	183,571,064.74	1,215,556,936.69	1,439,828,181.08	170,433,798.55	1,269,394,382.53
Goods in transit	232,056,226.14	4,177,979.87	227,878,246.27	217,149,231.66	16,800,564.57	200,348,667.09
Semi-finished goods	106,959,362.54	1,876,341.94	105,083,020.60	97,109,458.64	2,061,225.74	95,048,232.90
Low-value consumables	2,384,563.05		2,384,563.05	2,032,676.87		2,032,676.87
Others	13,387,235.00		13,387,235.00	4,830,653.19		4,830,653.19
Total	2,548,799,858.97	207,062,814.18	2,341,737,044.79	2,370,364,314.49	206,703,661.84	2,163,660,652.65

(2) Data Resources Recognized as Inventories

None.

(3) Provisions for Inventory Impairments and Impairment Provisions for Contract Performance Costs

Unit: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Others	Reversal or charge-off	Others	
Raw materials	17,408,072.98	318,438.71		289,084.06		17,437,427.63
Inventory goods	170,433,798.55	38,303,879.29		25,166,613.10		183,571,064.74
Goods in transit	16,800,564.57	1,823,585.72		14,446,170.42		4,177,979.87
Semi-finished goods	2,061,225.74	102,378.87		287,262.67		1,876,341.94
Total	206,703,661.84	40,548,282.59		40,189,130.25		207,062,814.18

Note: Of the amount reversed or charged off during the period, the reversal amount was RMB287,221.06 and the charge-off amount was RMB39,901,909.19..

Provisions for inventory impairments on a portfolio basis

None.

Criteria for making provisions for inventory impairments on a portfolio basis

See Note V-17. Inventory.

(4) Capitalized Borrowing Cost in the Closing Balance of Inventories

None.

(5) Notes to the Amount of Contract Performance Costs Amortized for the Period

None.

11. Assets held for sale

None.

12. Current Portion of Non-current Assets

Unit: RMB

Item	Closing balance	Opening balance
Current portion of other debt investments	1,042,833,211.63	429,862,721.67
Total	1,042,833,211.63	429,862,721.67

(1) Current Portion of Debt Investments

□ Applicable ☑ Not applicable

(2) Current Portion of Other Debt Investments

☑ Applicable □ Not applicable

1) List of Current Portion of Other Debt Investments

Unit: RMB

Item	Opening balance	Accrued interest	Change in fair value in the period	Closing balance	Cost	Accumulated changes in fair value	Accumulated impairment provision recognized in other comprehensive income	Notes
Large-denomination certificates of deposit purchased in 2023	429,862,721.67	4,403,867.96		324,366,589.63	300,000,000.00			
Large-denomination certificates of deposit purchased in 2024		41,466,622.00		718,466,622.00	677,000,000.00			
Total	429,862,721.67	45,870,489.96		1,042,833,211.63	977,000,000.00			

2) Significant Current Portion of Other Debt Investments as at the End of the Period

Unit: RMB

Item	Par value	Coup	Maturity date	Actual interest rate	Overdue principal

		on rate		Closing balance	Opening balance	Closing balance	Opening balance
Large-denomination certificates of deposit acquired in 2023	50,000,000.00	2.90 %	August 31, 2026	2.90%	2.90%		
Large-denomination certificates of deposit acquired in 2023	100,000,000.00	2.90 %	November 3, 2026	2.90%	2.90%		
Large-denomination certificates of deposit acquired in 2023	150,000,000.00	2.95 %	December 1, 2026	2.95%	2.95%		
Large-denomination certificates of deposit acquired in 2024	212,000,000.00	2.75 %	February 5, 2027	2.75%			
Large-denomination certificates of deposit acquired in 2024	55,000,000.00	2.60 %	February 5, 2027	2.60%			
Large-denomination certificates of deposit acquired in 2024	143,000,000.00	2.60 %	February 5, 2027	2.60%			
Large-denomination certificates of deposit acquired in 2024	52,000,000.00	2.60 %	February 5, 2027	2.60%			
Large-denomination certificates of deposit acquired in 2024	150,000,000.00	2.60 %	March 8, 2027	2.60%			
Large-denomination certificates of deposit acquired in 2024	35,000,000.00	2.60 %	March 29, 2027	2.60%			
Large-denomination certificates of deposit acquired in 2024	30,000,000.00	2.60 %	April 30, 2027	2.60%			
Total	977,000,000.00						

3) Impairment Provision

None.

4) Status of Current Portion of Other Debt Investments Written-off during the Period

None.

13. Other Current Assets

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax (VAT) input tax to be verified or deducted	208,431,568.03	180,724,871.99
Time deposits, large-denomination certificates of deposit	479,171,233.06	35,013,164.98
Prepaid corporate income tax	10,979,058.13	4,349,157.57
Others	18,065,998.63	1,499,186.49
Total	716,647,857.85	221,586,381.03

14. Debt Investments

None.

15. Other Debt Investments

(1) List of Other Debt Investments

Unit: RMB

Item	Opening balance	Accrued interest	Interest adjustment	Change in fair value in the period	Closing balance	Cost	Accumulated changes in fair value	Accumulated impairment provision recognized in other comprehensive income	Notes
Large-denomination certificates of deposit acquired in 2024	720,083,694.31								The closing balance was reclassified to current portion of non-current assets
Large-denomination certificates of deposit acquired in 2026		947,945.20			100,947,945.20	100,000,000.00			
Total	720,083,694.31	947,945.20			100,947,945.20	100,000,000.00			

(2) Significant Other Debt Investments as at the End of the Period

Unit: RMB

Item	Closing balance					Opening balance				
	Par value	Coupon rate	Actual interest rate	Maturity date	Overdue principal	Par value	Coupon rate	Actual interest rate	Maturity date	Overdue principal
Large-denomination certificates of deposit issued by Guangdong	100,000,000.00	2.00%	2.00%	January 8, 2029						

Huaxing Bank										
Large-denomination certificates of deposit issued by Bank of Guangzhou						212,000,000.00	2.75%	2.75%	February 5, 2027	
Large-denomination certificates of deposit issued by China Everbright Bank						55,000,000.00	2.60%	2.60%	February 5, 2027	
Large-denomination certificates of deposit issued by Hua Xia Bank						143,000,000.00	2.60%	2.60%	February 5, 2027	
Large-denomination certificates of deposit issued by China Merchants Bank						62,000,000.00	2.60%	2.60%	February 5, 2027	
Large-denomination certificates of deposit issued by Hua Xia Bank						150,000,000.00	2.60%	2.60%	March 8, 2027	
Large-denomination certificates of						35,000,000.00	2.60%	2.60%	March 29, 2027	

deposit issued by China Merchants Bank										
Large-denomination certificates of deposit issued by China Merchants Bank						30,000,000.00	2.60%	2.60%	April 30, 2027	
Total	100,000,000.00					687,000,000.00				

(3) Impairment Provision

None.

Basis for classification into stages and provision rates of bad debt provision

See Note V-17. Other Debt Investments.

(4) Other Debt Investments Written off during the Period

None.

16. Other Equity Investments

Unit: RMB

Item	Opening balance	Gains recognized in other comprehensive income in the period	Losses recognized in other comprehensive income in the period	Cumulative gain recognized in other comprehensive income as at the end of the period	Cumulative loss recognized in other comprehensive income as at the end of the period	Dividend income recognized in the period	Closing balance	Reasons for designating as at fair value through other comprehensive income
Xiamen Bank Co., Ltd.	421,011,500.10		29,252,842.65	238,801,050.62		6,309,436.65	391,758,657.45	Non-trading equity instruments
China Guangfa Bank Co., Ltd.	500,000.00						500,000.00	Non-trading equity instruments
Guangdong Embodied Intelligence Technology Co., Ltd.	0.00						15,150,000.00	Non-trading equity instruments
Foshan	3,000,000.0						3,000,000.0	Non-

Nanhai District United Guangdong New Light Source Industry Innovation Center	0						0	trading equity instruments
Beijing Glory Alliance Semiconductor Lighting Industry Investment Center (L.P.)	6,082,543.80						6,082,543.80	Non-trading equity instruments
Guangdong Rising Finance Co., Ltd.	30,000,000.00					214,945.80	30,000,000.00	Non-trading equity instruments
Guangdong Rising Hundred Counties, Thousand Towns, and Ten Thousand Villages High Quality Development Project Industrial Investment Fund of Funds Partnership Enterprise (Limited Partnership)	11,200,000.00						11,200,000.00	Non-trading equity instruments
Total	471,794,043.90		29,252,842.65	238,801,050.62		6,524,382.45	457,691,201.25	

Non-trading equity instrument investment in the period disclosed by items

Unit: RMB

Item	Dividend income recognized	Accumulative gains	Accumulative losses	Amount reclassified from other comprehensive income to	Reasons for designating as at fair value through other comprehensive	Reasons for reclassification from other comprehensive income to

				retained earnings	income	retained earnings
Xiamen Bank Co., Ltd.	6,309,436.65	238,801,050.62			Not satisfied with the condition of trading equity instrument	N/A
Beijing Glory Alliance Semiconductor Lighting Industry Investment Center (L.P.)		1,538,068.73			Not satisfied with the condition of trading equity instrument	N/A
Guangdong Rising Finance Co., Ltd.	214,945.80	1,337,859.54			Not satisfied with the condition of trading equity instrument	N/A
Total	6,524,382.45	241,676,978.89				

17. Long-term Receivables

None.

18. Long-term Equity Investment

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of impairment provision	Changes for the period								Closing balance (carrying amount)	Closing balance of impairment provision
			Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Provision for impairment	Others		
I. Joint ventures												
II. Associated enterprises												
Primatronix (Nanho) Electronics Ltd.	184,806,652.92				691,170.38						185,497,823.30	
Subtotal	184,806,652.92				691,170.38						185,497,823.30	
Total	184,806,652.92				691,170.38						185,497,823.30	

The recoverable amount is determined based on fair value less costs of disposal

□ Applicable ☑ Not applicable

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

□ Applicable ☑ Not applicable

Reasons for significant inconsistency between the above-mentioned information and the information adopted in the impairment tests in the prior year or external information

None.

Reasons for significant inconsistency between the information adopted in the impairment tests in the prior year and the actual situation in the year

None.

19. Other Non-current Financial Assets

None.

20. Investment Property

(1) Investment Property Measured at Cost

☑ Applicable □ Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Gross amount				
1. Opening balance	880,189,146.33	61,486,213.33		941,675,359.66
2. Increase during the period	14,955,191.72			14,955,191.72
(1) Purchased				
(2) Transferred from inventories/fixed assets/construction in progress	14,955,191.72			14,955,191.72
(3) Increase from business combination				
3. Decrease during the period	4,749,744.52			4,749,744.52
(1) Disposal				
(2) Other transfer	4,749,744.52			4,749,744.52
4. Closing balance	890,394,593.53	61,486,213.33		951,880,806.86
II. Accumulative depreciation and accumulative amortization				
1.Opening balance	116,287,102.50	14,806,218.29		131,093,320.79
2. Increase during the period	20,139,328.52	980,526.73		21,119,855.25
(1) Provision or amortization	16,262,210.70	980,526.73		17,242,737.43
(2) Transferred from inventories/fixed assets/construction in progress	3,877,117.82			3,877,117.82

3. Decrease during the period	1,280,374.31			1,280,374.31
(1) Disposal				
(2) Other transfer	1,280,374.31			1,280,374.31
4. Closing balance	135,146,056.71	15,786,745.02		150,932,801.73
III. Impairment provisions				
1.Opening balance				
2. Increase during the period				
(1) Provision				
3. Decrease during the period				
(1) Disposal				
(2) Other transfer				
4. Closing balance				
IV. Carrying amount				
1. Closing carrying amount	755,248,536.82	45,699,468.31		800,948,005.13
2. Opening carrying amount	763,902,043.83	46,679,995.04		810,582,038.87

The recoverable amount is determined based on fair value less costs of disposal

□ Applicable ☑ Not applicable

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

□ Applicable ☑ Not applicable

Reasons for significant inconsistency between the above-mentioned information and the information adopted in the impairment tests in the prior year or external information

None.

Reasons for significant inconsistency between the information adopted in the impairment tests in the prior year and the actual situation in the year

None.

(2) Investment Property Measured at Fair Value

□ Applicable ☑ Not applicable

(3) Projects Converted to Investment Properties and Measured at Fair Value

None.

(4) Investment Property without Certificate of Title

As at June 30, 2026, the relevant property certificates for the LED Workshop and the leased portion of the Hainan production base are still in progress. The Company believes that obtaining such property certificates is not subject to any substantive legal obstacles and has no significant adverse impact on the Company’s normal operations.

21. Fixed Assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	3,500,790,477.78	3,584,415,229.00
Disposal of fixed assets	3,459,057.99	2,502,347.90
Total	3,504,249,535.77	3,586,917,576.90

(1) List of Fixed Assets

Unit: RMB

Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Other (note:1)	Total
I. Gross amount:						
1. Opening balance	2,589,240,721.61	5,574,206,506.82	41,911,995.26	92,501,595.68	103,936,135.95	8,401,796,955.32
2. Increase during the period	42,192,675.94	142,761,391.15	391,197.64	6,485,221.10	2,592,668.49	194,423,154.32
(1) Purchased	890,708.85	40,165,247.78	391,197.64	4,717,075.81	709,935.61	46,874,165.69
(2) Transferred from construction in progress	29,560,001.32	98,866,958.54		1,768,145.29	1,869,387.88	132,064,493.03
(3) Increase from business combination						
(4) Others (note 2)	11,741,965.77	3,729,184.83			13,345.00	15,484,495.60
3. Decrease during the period	14,723,568.06	51,464,660.33	2,812,086.23	745,379.45	139,174.84	69,884,868.91
(1) Disposal or retirement	94,444.48	46,356,108.02	2,798,551.41	140,746.17	128,862.04	49,518,712.12
(2) Equipment transformation	434,301.76	864,178.69		567,331.20		1,865,811.65
(3) Others (Note 2)	14,194,821.82	4,244,373.62	13,534.82	37,302.08	10,312.80	18,500,345.14
4. Closing balance	2,616,709,829.49	5,665,503,237.64	39,491,106.67	98,241,437.33	106,389,629.60	8,526,335,240.73
II. Accumulative depreciation						
1.Opening balance	828,195,740.28	3,790,306,310.44	31,925,646.92	68,761,126.51	82,633,757.58	4,801,822,581.73
2. Increase	60,215,359.13	189,051,056.56	1,656,538.19	5,777,444.24	2,860,734.24	259,561,132.3

during the period						6
(1) Provision	58,934,984.82	187,255,839.94	1,656,538.19	5,777,444.24	2,860,734.24	256,485,541.43
(2) Others (Note 2)	1,280,374.31	1,795,216.62				3,075,590.93
3. Decrease during the period	3,991,461.69	45,153,232.59	2,765,881.33	703,603.50	136,898.30	52,751,077.41
(1) Disposal or retirement		43,627,841.41	2,752,481.85	135,929.10	126,688.62	46,642,940.98
(2) Equipment transformation	30,455.41	257,534.72		561,657.88		849,648.01
(3) Others (note 2)	3,961,006.28	1,267,856.46	13,399.48	6,016.52	10,209.68	5,258,488.42
4. Closing balance	884,419,637.72	3,934,204,134.41	30,816,303.78	73,834,967.25	85,357,593.52	5,008,632,636.68
III. Impairment provisions						
1.Opening balance	6,580,100.00	8,969,473.62		5,738.72	3,832.25	15,559,144.59
2. Increase during the period	1,635,100.00			1,285.69	9,307.48	1,645,693.17
(1) Provision						
(2) Others	1,635,100.00			1,285.69	9,307.48	1,645,693.17
3. Decrease during the period		292,313.26		398.23		292,711.49
(1) Disposal or retirement		282,118.32				282,118.32
(2) Others		10,194.94		398.23		10,593.17
4. Closing balance	8,215,200.00	8,677,160.36		6,626.18	13,139.73	16,912,126.27
IV. Carrying amount						
1. Closing carrying amount	1,724,074,991.77	1,722,621,942.87	8,674,802.89	24,399,843.90	21,018,896.35	3,500,790,477.78
2. Opening carrying amount	1,754,464,881.33	1,774,930,722.76	9,986,348.34	23,734,730.45	21,298,546.12	3,584,415,229.00

Note 1: Fixed assets-Others refer to the Cooling system and wastewater treatment plant of NationStar Optoelectronics and tools, equipment, instruments and meters of Liaowang Auto Lamp, etc.

Note 2: Other increases or decreases in gross amount and accumulated depreciation are mainly due to the addition of houses and buildings and building accessories, the transfer between investment property and fixed assets arising from a change in the use of buildings during the period and exchange rate adjustment.

(2) Temporarily Idle Fixed Assets

None.

(3) Fixed Assets Leased out under Operating Lease

None.

(4) Fixed Assets without Certificate of Title

The Company's Glass Workshop 8, Glass Workshop 9, Fluorescent Lamp Workshop, Standard Workshop A, Hainan Production Base (self-use part), Fuwan Employee Village Family Dormitory Building 2, Family Dormitory Building 8, Fuwan Employee Village Dormitory Building 7, and Employee Apartment Buildings 1-4 have been completed and put into use and carried forward fixed assets. As at June 30, 2026, the relevant property certificates are still in progress. The Company believes that obtaining such property certificates is not subject to any substantive legal obstacles and has no significant adverse impact on the Company's normal operations.

(5) Impairment Test of Fixed Assets

□ Applicable ☑ Not applicable

(6) Disposal of Fixed Assets

Unit: RMB

Item	Closing balance	Opening balance
Machinery equipment	3,459,057.99	2,502,347.90
Total	3,459,057.99	2,502,347.90

22. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	250,251,499.08	223,949,659.06
Total	250,251,499.08	223,949,659.06

(1) List of Construction in Progress

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment provision	Carrying amount	Gross amount	Impairment provision	Carrying amount
Construction in progress	251,846,318.22	1,594,819.14	250,251,499.08	225,544,478.20	1,594,819.14	223,949,659.06
Total	251,846,318.22	1,594,819.14	250,251,499.08	225,544,478.20	1,594,819.14	223,949,659.06

(2) Changes in Significant Construction in Progress during the Period

Unit: RMB

Item	Budget	Opening balance	Increase during the period	Transferred to fixed assets during the period	Other decreases during the period	Closing balance	Cumulative project investment as % of the budget	Project progress (%)	Cumulative capitalized interest	Of which: Capitalized interest during the period	Interest capitalization rate for the period (%)	Funding source
The Project of the Geely Industrial Park	1,714,546,700.00	147,407,216.78	5,908,969.75	21,102,038.02	3,619,385.84	128,594,762.67	50.64%	50.64%	645,610.61			Self-pooled funds and borrowings
Total	1,714,546,700.00	147,407,216.78	5,908,969.75	21,102,038.02	3,619,385.84	128,594,762.67			645,610.61			

(3) Impairment Provisions for Construction in Progress for the Period

None.

(4) Impairment Test of Construction in Progress

□ Applicable ☑ Not applicable

(5) Engineering Materials

None.

23. Productive Living Assets

None.

24. Oil and Gas Assets

□ Applicable ☑ Not applicable

25. Right-of-use Assets

(1) List of Right-of-use Assets

Unit: RMB

Item	Houses and buildings	Machinery equipment	Total
I. Gross amount			
1. Opening balance	39,880,165.23	1,096,398.96	40,976,564.19
2. Increase during the period	418,158.33		418,158.33
(1) Leased in	418,158.33		418,158.33
3. Decrease during the period	2,882,761.41		2,882,761.41

(1) Disposal	2,882,761.41		2,882,761.41
4.Closing balance	37,415,562.15	1,096,398.96	38,511,961.11
II. Accumulative depreciation			
1. Opening balance	16,272,843.99	932,176.11	17,205,020.10
2. Increase during the period	6,019,030.88	164,222.85	6,183,253.73
(1) Provision	6,019,030.88	164,222.85	6,183,253.73
3. Decrease during the period	2,843,548.44		2,843,548.44
(1) Disposal	2,843,548.44		2,843,548.44
4.Closing balance	19,448,326.43	1,096,398.96	20,544,725.39
III. Impairment provisions			
1. Opening balance			
2. Increase during the period			
(1) Provision			
3. Decrease during the period			
(1) Disposal			
4. Closing balance			
IV. Carrying amount			
1. Closing carrying amount	17,967,235.72		17,967,235.72
2. Opening carrying amount	23,607,321.24	164,222.85	23,771,544.09

(2) Impairment Test of Right-of-use Assets

□ Applicable ☑ Not applicable

26. Intangible Assets

(1) List of Intangible Assets

Unit: RMB

Item	Land use right	Patent	Non-patent technology	Software	Trademark	Others (note)	Total
I. Gross amount							
1. Opening balance	369,823,060.63	41,325,383.35		100,832,989.92	27,020,000.00	3,470,000.00	542,471,433.90
2. Increase during the period	22,962,915.37			8,113,227.50			31,076,142.87
(1) Purchased				7,462,095.46			7,462,095.46
(2) Developed internally							
(3) Increase from business combination							

(4)Transferred from construction in progress	22,962,915.37			651,132.04			23,614,047.41
3. Decrease during the period							
(1) Disposal							
4. Closing balance	392,785,976.00	41,325,383.35		108,946,217.42	27,020,000.00	3,470,000.00	573,547,576.77
II. Accumulative amortization							
1. Opening balance	80,236,838.84	27,347,287.47		47,042,450.19	3,827,833.37	491,583.37	158,945,993.24
2. Increase during the period	4,173,195.80	1,303,517.69		8,498,282.85	1,351,000.00	173,500.00	15,499,496.34
(1) Provision	4,173,195.80	1,303,517.69		8,498,282.85	1,351,000.00	173,500.00	15,499,496.34
3. Decrease during the period							
(1) Disposal							
4. Closing balance	84,410,034.64	28,650,805.16		55,540,733.04	5,178,833.37	665,083.37	174,445,489.58
III. Impairment provisions							
1. Opening balance							
2. Increase during the period							
(1) Provision							
3. Decrease during the period							
(1) Disposal							
4. Closing balance							
IV. Carrying amount							
1. Closing carrying amount	308,375,941.36	12,674,578.19		53,405,484.38	21,841,166.63	2,804,916.63	399,102,087.19
2. Opening carrying amount	289,586,221.79	13,978,095.88		53,790,539.73	23,192,166.63	2,978,416.63	383,525,440.66

Note: Intangible assets--Others refers to the software copyrights.

The proportion of intangible assets formed from the internal R&D of the Company as at the end of the period to the closing balance of intangible assets was 0.00%.

(2) Data Resources Recognized as Intangible Assets

None.

(3) Land Use Right without Certificate of Title

None.

(4) Impairment Test of Intangible Assets

□ Applicable ☑ Not applicable

27. Goodwill

(1) Gross Amount of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Formed by business combination	Others	Disposed	Others	
Foshan NationStar Optoelectronics Co., Ltd.	405,620,123.64					405,620,123.64
Nanning Liaowang Auto Lamp Co., Ltd.	16,211,469.82					16,211,469.82
Guangdong Airtrust Aviation Equipment Co., Ltd.	125,552.07					125,552.07
Total	421,957,145.53					421,957,145.53

(2) Impairment Provisions for Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision		Disposal		
Foshan NationStar Optoelectronics Co., Ltd.	176,610,990.01					176,610,990.01
Total	176,610,990.01					176,610,990.01

28. Long-term Prepaid Expense

Unit: RMB

Item	Opening balance	Increase during the period	Amortization during the period	Other decreases	Closing balance
Mold	248,548,268.44	71,799,315.74	26,891,509.25	15,213,272.94	278,242,801.99
Expense on maintenance and	74,762,383.85	14,818,238.05	17,046,527.29	228,896.25	72,305,198.36

decoration					
Boarding box	610,628.31		148,106.91		462,521.40
Others	12,017,139.88	3,563,777.74	3,657,066.39		11,923,851.23
Total	335,938,420.48	90,181,331.53	47,743,209.84	15,442,169.19	362,934,372.98

Other notes：

Other decreases of mold represent disposals of mold.

29. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets before Offsetting

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	456,917,460.84	70,211,529.92	455,575,694.14	69,542,275.28
Unrealized profit of internal transactions	31,506,763.46	4,726,014.50	25,371,871.73	3,805,780.74
Deductible loss	210,062,395.91	33,983,990.34	210,552,472.38	33,948,090.76
Depreciation of fixed assets	35,266,780.03	5,290,017.00	38,958,013.64	5,843,702.05
Accrued liabilities	18,892,687.04	2,898,991.08	17,991,357.40	2,698,703.61
Change in fair value of trading financial liabilities	813,723.89	122,058.58	331,319.45	49,697.92
Estimated cost	59,374,439.07	10,238,500.86	76,653,774.22	12,908,097.81
Lease liabilities and others	67,407,300.67	13,008,523.20	82,428,921.05	15,368,236.16
Total	880,241,550.91	140,479,625.48	907,863,424.01	144,164,584.33

(2) Deferred Income Tax Liabilities before Offsetting

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Assets assessment appreciation from business consolidation not under the same control	133,121,862.62	20,083,844.55	140,027,029.47	21,134,372.57
Changes in fair value of other equity investments	232,951,050.62	34,942,657.60	262,203,893.26	39,330,583.99
Changes in the fair value of trading financial assets	747,911.34	112,186.70	1,369,911.68	205,486.75
One-off depreciation of fixed assets	554,207,584.33	83,131,137.66	564,657,876.65	84,698,681.50
Right-of-use assets and others	21,475,249.18	4,214,160.14	24,465,203.89	4,827,490.65

Total	942,503,658.09	142,483,986.65	992,723,914.95	150,196,615.46

(3) Deferred Income Tax Assets or Liabilities Presented on a Net Basis after Offsetting

Unit: RMB

Item	Offsetting amount between deferred income tax assets and liabilities as at the end of the period	Net deferred income tax assets or liabilities as at the end of the period after offsetting	Offsetting amount between deferred income tax assets and liabilities as at the beginning of the period	Net deferred tax assets or liabilities as at the beginning of the period after offsetting
Deferred income tax assets		140,479,625.48		144,164,584.33
Deferred income tax liabilities		142,483,986.65		150,196,615.46

(4) List of Unrecognized Deferred Income Tax Assets

None.

(5) Deductible Losses of Unrecognized Deferred Income Tax Assets will Expire in the Following Years

None.

30. Other Non-current Assets

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment provision	Carrying amount	Gross amount	Impairment provision	Carrying amount
Contract assets	467,940.84	102,761.63	365,179.21	501,901.93	75,862.82	426,039.11
Long-term assets to be disposed (note)	198,202,153.88		198,202,153.88	198,202,153.88		198,202,153.88
Advance payment for long-term assets acquisition				6,992,221.25	1,635,100.00	5,357,121.25
Advance payment for equipment and project	46,499,860.06		46,499,860.06	99,361,501.47		99,361,501.47
Others	635,084.18		635,084.18	4,367,681.40		4,367,681.40
Total	245,805,038.96	102,761.63	245,702,277.33	309,425,459.93	1,710,962.82	307,714,497.11

Note: The long-term assets expected to be disposed of mainly include the land use rights of the plot at No. 64, Fenjiang North Road, which is to be transferred and disposed of, as well as the disposal costs of the plot.

31. Assets with Restricted Ownership or Right of Use

Unit: RMB

Item	Period-end				Period-beginning			
	Gross amount	Carrying amount	Type of restriction	Restriction	Gross amount	Carrying amount	Type of restriction	Restriction
Monetary	478,677,249.14	478,677,249.14	Restricted use	Note deposits,	631,081,782.33	631,081,782.33	Restricted use	Note deposits,

assets				bond deposits, etc.				bond deposits, pre-sale of properties, etc.
Notes receivable	572,757,449.03	572,757,449.03	Pledged, endorsed or discounted but not matured	Pledge of note pool, notes receivable endorsed or discounted but not matured	540,078,294.10	540,078,294.10	Pledged, endorsed or discounted but not matured	Pledge of note pool, notes receivable endorsed or discounted but not matured
Fixed assets	348,161,016.79	198,008,084.57	Mortgaged	Related party mortgage guarantees	348,161,016.79	198,427,841.71	Mortgaged	Related party mortgage guarantees
Intangible assets	15,551,408.00	10,030,658.70	Mortgaged	Related party mortgage guarantees	15,551,408.00	10,030,658.70	Mortgaged	Related party mortgage guarantees
Accounts receivable financing	26,500,000.00	26,500,000.00	Pledged	Pledge of note pool	7,000,000.00	7,000,000.00	Pledged	Pledge of note pool
Accounts receivable	1,050,000.00	945,000.00	Pledged	Accounts receivable transferred but not yet due	1,050,000.00	945,000.00	Pledged	Accounts receivable transferred but not yet due
Other current assets					6,658,273.00	6,658,273.00	Frozen	Frozen funds
Other non-current assets					3,528,951.23	3,528,951.23	Frozen	Frozen funds
Total	1,442,697,122.96	1,286,918,441.44			1,553,109,725.45	1,397,750,801.07		

32. Short-term Borrowings

(1) Breakdown of Short-term Borrowings

Unit: RMB

Item	Closing balance	Opening balance
Mortgage loans	8,000,000.00	8,000,000.00
Credit loans	573,589,947.26	625,462,091.12
Acceptance bill discount		1,542,591.80
Interest from short-term borrowings		10,391.94
Total	581,589,947.26	635,015,074.86

Notes to classification of short-term borrowings:

1. As at June 30, 2026, the carrying amount of fixed assets pledged as collateral for secured short-term borrowings was RMB4,214,254.95.

2. The short-term borrowings as at the end of the Reporting Period included credit loans arising from supplier financing arrangements. For details, please refer to “Note VII-79 -(7) Notes on Other Significant Activities – Supplier Financing Arrangements”.

(2) Overdue Short-term Borrowings

None.

33. Trading Financial Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Trading financial liabilities	441,690.00	
Of which:		
Others	441,690.00	
Total	441,690.00	

34. Derivative Financial Liabilities

None.

35. Notes Payable

Unit: RMB

Category	Closing balance	Opening balance
Bank acceptance bill	1,899,804,727.58	2,165,892,938.76
Letter of credit	94,665,436.12	13,177,505.65
Total	1,994,470,163.70	2,179,070,444.41

The total amount of notes payable that are due but unpaid amounted to RMB0.00 as at the end of the period.

36. Accounts Payable

(1) List of Accounts Payable

Unit: RMB

Item	Closing balance	Opening balance
Accounts payable	2,310,647,251.69	2,443,871,780.95
Total	2,310,647,251.69	2,443,871,780.95

(2) Significant Accounts Payable Aged over One Year or Overdue

Unit: RMB

Item	Closing balance	Unpaid/Un-carry-over reason
Unit A	47,896,016.06	It has not reached the settlement period
Total	47,896,016.06	

37. Other Payables

Unit: RMB

Item	Closing balance	Opening balance
Dividends payable	17,174,211.40	
Other payables	317,547,164.24	372,152,039.73
Total	334,721,375.64	372,152,039.73

(1) Interest Payable

None.

(2) Dividends Payable

Unit: RMB

Item	Closing balance	Opening balance
Dividends on ordinary shares	15,183,661.90	
Others	1,990,549.50	
Total	17,174,211.40	

(3) Other Payables

1) Other Payables Disclosed by Category of Nature

Unit: RMB

Item	Closing balance	Opening balance
Transactions	122,359,361.77	148,822,484.44
Relevant expense of sales	60,152,112.70	70,427,822.25
Performance bond	83,535,841.30	86,126,189.35
Payments for demolition		2,071,772.00
Others	51,499,848.47	64,703,771.69
Total	317,547,164.24	372,152,039.73

2) Significant Other Payable Aged over One Year or Overdue

Unit: RMB

Item	Closing balance	Unpaid/Un-carry-over reason
Unit A	55,046,577.48	It has not reached the settlement period
Unit B	34,923,374.73	It has not reached the settlement period
Total	89,969,952.21	

38. Advances from Customer

(1) List of Advances from Customers

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers	303,123.79	328,004.34
Total	303,123.79	328,004.34

(2) Significant Advances from Customers Aged over One Year or Overdue

None.

39. Contract Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances on sales	101,215,408.89	140,787,246.73
Total	101,215,408.89	140,787,246.73

40. Employee Benefits Payable

(1) List of Employee Benefits Payable

Unit: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term salary	162,586,689.64	671,052,056.41	688,347,300.95	145,291,445.10
II. Post-employment benefit-defined contribution plans	1,745,557.00	73,377,065.08	73,730,733.12	1,391,888.96
III. Termination benefits	2,916,749.00	3,440,187.95	3,808,218.62	2,548,718.33
Total	167,248,995.64	747,869,309.44	765,886,252.69	149,232,052.39

(2) List of Short-term Salary

Unit: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Salary, bonus, allowance, subsidy	159,250,394.80	577,911,950.09	596,652,764.33	140,509,580.56
2. Employee welfare	38,090.77	30,758,105.05	30,652,248.80	143,947.02
3. Social insurance	690,512.89	31,975,794.09	32,131,124.37	535,182.61
Of which: Medical insurance premiums	588,449.93	28,911,417.41	29,053,556.97	446,310.37
Work-related injury insurance	102,062.96	3,064,376.68	3,077,567.40	88,872.24
4. Housing fund	580,198.71	23,313,172.12	23,265,169.12	628,201.71
5. Labor union budget and employee education budget	2,027,492.47	5,449,228.97	5,645,994.33	1,830,727.11
6. Other short-term salary		1,643,806.09		1,643,806.09
Total	162,586,689.64	671,052,056.41	688,347,300.95	145,291,445.10

(3) List of Defined Contribution Plans

Unit: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension	1,172,311.29	67,351,629.51	67,717,282.22	806,658.58

benefits				
2. Unemployment insurance	39,575.66	2,972,604.27	2,990,078.73	22,101.20
3. Annuity	533,670.05	3,052,831.30	3,023,372.17	563,129.18
Total	1,745,557.00	73,377,065.08	73,730,733.12	1,391,888.96

Other notes

The Company participates in the scheme of pension insurance and unemployment insurance established by government agencies as required. According to the scheme, fees are paid to it on a monthly basis and at the rate of stipulated by government agencies. In addition to the above monthly deposit fees, the Company no longer assumes further payment obligations. Corresponding expenses are recorded into the current profits or losses or the cost of related assets when incurred.

41. Taxes Payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	25,537,183.74	27,647,834.28
Corporate income tax	11,927,251.23	52,061,425.04
Personal income tax	1,527,899.44	3,516,287.76
Urban maintenance and construction tax	2,182,624.39	1,761,355.03
Property tax	9,578,752.33	2,562,362.23
Land use tax	2,340,233.14	318,266.40
Education surcharge	1,068,544.79	754,321.85
Local education surcharge	579,923.48	497,930.79
Stamp tax	1,849,026.25	2,024,051.39
Others	20,208.04	37,716.36
Total	56,611,646.83	91,181,551.13

42. Liabilities Held for sale

None.

43. Current Portion of Non-current Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Current portion of long-term borrowings	94,288,179.59	120,586,240.76
Current portion of lease liabilities	9,705,601.37	10,710,023.24
Total	103,993,780.96	131,296,264.00

44. Other Current Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output VAT to be carried forward	7,500,443.79	8,449,283.63
Reversed notes that are endorsed and	153,549,264.99	71,787,013.90

undue		
Cloud Credit endorsed but not yet terminated recognition	1,050,000.00	1,050,000.00
Total	162,099,708.78	81,286,297.53

45. Long-term Borrowings

(1) Breakdown of Long-term Borrowings

Unit: RMB

Item	Closing balance	Opening balance
Mortgage loans	19,630,729.87	20,935,917.42
Credit borrowings	254,078,398.99	292,565,399.12
Less: Current portion of long-term borrowings	94,288,179.59	120,586,240.76
Total	179,420,949.27	192,915,075.78

46. Bonds Payable

None.

47. Lease Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities	22,383,380.06	28,245,829.94
Less: Unrecognized financing expenses	1,642,359.29	2,181,082.68
Less: Current portion of lease liabilities	9,705,601.37	10,710,023.24
Total	11,035,419.40	15,354,724.02

Other notes:

The maturity analysis of lease liabilities based on the undiscounted remaining contractual obligations is as follows:

Item	Closing balance	Opening balance
Within 1 year	9,930,321.88	11,428,580.01
1-2 years	4,394,357.79	9,295,051.12
3-5 years	5,459,236.25	5,261,795.21
Over 5 years	2,599,464.14	2,260,403.60
Total	22,383,380.06	28,245,829.94

48. Long-term Payables

None.

49. Long-term Employee Benefits Payable

None.

50. Provisions

Unit: RMB

Item	Closing balance	Opening balance	Cause
Product quality assurance	18,892,687.04	17,991,357.40	Provision for product quality assurance expenses
Total	18,892,687.04	17,991,357.40	

51. Deferred Income

Unit: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Cause
Government grants	116,931,745.07	8,591,585.57	15,899,632.66	109,623,697.98	Government allocations
Total	116,931,745.07	8,591,585.57	15,899,632.66	109,623,697.98	

Other notes:

Item	Opening balance	Amount added during the period	Amount recognized in non-operating income during the period	Amount recognized in other income during the period	Amount offset against costs and expenses during the period	Other changes	Closing balance	Related to assets/related to income
Government grants related to assets	107,447,502.37	7,011,300.00		11,405,401.54			103,053,400.83	
Of which:								
Small-pitch LED Packaging Technology Innovation for Display and Key Packaging Equipment Technology Transformation Project	15,892,791.48	933,696.00		1,653,040.74			15,173,446.74	Related to assets
Geely Industrial Park LED Ultra-High Definition Display Technology Transformation Project	14,786,666.75			778,050.00			14,008,616.75	Related to assets

(Phase I)								
The First Batch of Ultra-long-term Special Government Bond Project Subsidies for 2025	14,351,999.99			736,000.02			13,615,999.97	Related to assets
Technology Renovation Project for the Production Line of Micro and Flip-chip LED Chips	12,361,299.10			1,003,900.20			11,357,398.90	Related to assets
Government Subsidy for Annual Fixed Asset Investment in Advanced Manufacturing and Oil & Gas Extraction Projects	8,232,962.47			222,512.52			8,010,449.95	Related to assets
The Second Batch of Ultra-long-term Special Government Bond Project Subsidies for 2024	4,637,500.00			262,500.00			4,375,000.00	Related to assets
Small-pitch and Outdoor LED Display Device Expansion Project and Technical Transformation Project	5,939,394.08			1,990,475.52			3,948,918.56	Related to assets

Technological Transformation Project for High Color Rendering Index (CRI) LED Packaging Technology Innovation and Key Packaging Equipment for Lighting Applications	4,481,838.37			785,363.70			3,696,474.67	Related to assets
Intelligent Technology Reform Project of LED Packaging Workshop in Geely Industrial Park (Phase I)	2,703,806.75	986,304.00		128,006.22			3,562,104.53	Related to assets
2025 Autonomous Region Special Fund for Coordinated Support of Industrial Revitalization		3,500,000.00		175,000.02			3,324,999.98	Related to assets
Hainan Deep-Sea Technology Innovation Centre Special Project for Deep-Sea Technology Industry	2,488,755.88	1,200,000.00		501,132.14			3,187,623.74	Related to assets

Promotion (Industrial Development Category) – Construction and Commercial Operation of Deep-Sea Lighting Product Production Lines								
Equipment Subsidies for the Gaozhou Production Base Construction Project	2,347,483.35	311,300.00		137,175.94			2,521,607.41	Related to assets
2023 Automotive Lamp Production Digitalization Workshop Technology Improvement Project	1,883,000.00			123,000.00			1,760,000.00	Related to assets
The First Batch of 2022 Special Funds for Industrial Technological Transformation by the Finance Bureau of Liang Jiang New Area	1,536,000.00			128,000.00			1,408,000.00	Related to assets
Research on Packaging Technologies for Third-	1,536,408.05			167,493.66			1,368,914.39	Related to assets

Generation Semiconductor Power Devices and Modules								
The Second Batch of Support Funds for the “Technological Transformation of Thousands of Enterprises” in the Guangxi Zhuang Autonomous Region for 2021	1,166,666.50			100,000.02			1,066,666.48	Related to assets
The 2019 Second Batch of Special Funds of RMB3 million for the Industrial and Information Development of the City	900,000.00			150,000.00			750,000.00	Related to assets
Research and Development and Industrialization Project of Gallium Nitride-based RF Devices in the Field of Next Generation Mobile Communicati	630,189.54			56,798.76			573,390.78	Related to assets

on								
The Project of the First Batch of Support Funds for Enterprises in Liuzhou City for 2017 for Liuzhou Guige	600,000.00			75,000.00			525,000.00	Related to assets
The Project of Resource Conservation and Environmental Protection	737,234.24			343,999.98			393,234.26	Related to assets
The First Batch of Special Funds for Small and Medium-sized Enterprises in 2022	420,000.00			35,000.00			385,000.00	Related to assets
The 2019 14th Batch of Industrial Support Funds of RMB1.5 million	450,000.00			75,000.00			375,000.00	Related to assets
The First Batch of Special Funds for the Industrial and Information Development for the Guangxi Zhuang Autonomous Region for 2017	566,667.01			199,999.98			366,667.03	Related to assets

(Technological Transformation) for Liuzhou Guige								
2021 Automotive Industry Enterprise Intelligent Transformation and Upgrading Project Funding	351,333.14			34,000.02			317,333.12	Related to assets
Others	8,445,505.67	80,000.00		1,543,952.10			6,981,553.57	Related to assets
Government grants related to income:	9,484,242.70	1,580,285.57		4,494,231.12			6,570,297.15	
Of which:								
Research Project on Key Technologies of the Third Generation of High Efficiency and Frequency Semiconductor Electronic Power Module	1,572,531.10			33,235.86			1,539,295.24	Related to income
Research on Key Technologies for 4K/8K Ultra High Definition Full Color Micro LED	1,301,347.20			85,305.60			1,216,041.60	Related to income

Displays								
Research on Key Technologies and Systematic Application of High Voltage GaN Power Devices on Sapphire Substrates		1,200,000.00					1,200,000.00	Related to income
MDL Project	840,000.00						840,000.00	Related to income
Research on Full Color Integrated Packaging of High Brightness, High Contrast Micro-LED Display Devices	870,176.67			59,918.46			810,258.21	Related to income
Others	4,900,187.73	380,285.57		4,315,771.20			964,702.10	Related to income
Total	116,931,745.07	8,591,585.57		15,899,632.66			109,623,697.98	

52. Other Non-current Liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output VAT to be transferred	107,831.23	107,831.23
Total	107,831.23	107,831.23

53. Share Capital

Unit: RMB

	Opening balance	Increase/decrease (+/-)					Closing balance
		New shares issued	Bonus shares	Bonus issue from profit	Others	Subtotal	
The sum of shares	1,535,778,230.00						1,535,778,230.00

Other notes:

Item/Investor	Opening balance		Increase during the period	Decrease during the period	Closing balance	
	Invested amount	Proportion			Invested amount	Proportion
Restricted shares	10,537,802.00	0.69%	13,500.00	38,385.00	10,512,917.00	0.68%
Unrestricted shares	1,525,240,428.00	99.31%	38,385.00	13,500.00	1,525,265,313.00	99.32%
Total	1,535,778,230.00	100.00%	51,885.00	51,885.00	1,535,778,230.00	100.00%

54. Other Equity Instruments

None.

55. Capital Reserves

Unit: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium (premium on stock)	836,271,984.36		112,699.07	836,159,285.29
Other capital reserves	7,245,971.54	7,711.32		7,253,682.86
Total	843,517,955.90	7,711.32	112,699.07	843,412,968.15

Other notes, including changes and reason of change:

(1) Capital premium (premium on stock) decreased by RMB112,699.07 in the period, which was due to the implementation of the employee share ownership plan by the subsidiary Liaowang Auto Lamp.

(2) Other capital reserves increased by RMB7,711.32 , which was due to the transfer of 49% of the subscribed equity in its wholly-owned subsidiary Gaozhou NationStar by the subsidiary NationStar Optoelectronics.

56. Treasury Shares

None.

57. Other Comprehensive Income

Unit: RMB

Item	Opening balance	During the period						Closing balance
		Income before taxation in the period	Less: Recorded in other comprehensive income in prior period and transferred to profit or	Less: Recorded in other comprehensive income in prior period and transferred to retained	Less: Income tax expense	Attributable to owners of the parent company after tax	Attributable to non-controlling interests after tax	

			loss in the period	earnings in the period				
I. Other comprehensive income that may not subsequently be reclassified to profit or loss	227,845,809.27	-29,252,842.65			-4,387,926.39	-24,864,916.26		202,980,893.01
Changes in fair value of other equity instrument investment	227,845,809.27	-29,252,842.65			-4,387,926.39	-24,864,916.26		202,980,893.01
II. Other comprehensive income that may subsequently be reclassified to profit or loss	-698,417.96	-5,900,794.90				-4,646,746.45	-1,254,048.45	-5,345,164.41
Differences arising from translation of foreign currency-denominated financial statements	-698,417.96	-5,900,794.90				-4,646,746.45	-1,254,048.45	-5,345,164.41
Total of other comprehensive income	227,147,391.31	-35,153,637.55			-4,387,926.39	-29,511,662.71	-1,254,048.45	197,635,728.60

Other notes, including the adjustment of the effective portion of gains or losses on cash flow hedges to the initial recognition amount of the hedged item:

None.

58. Specific Reserve

Unit: RMB

Item	Opening balance	Increase during the	Decrease during the	Closing balance

		period	period	
Safety production costs	3,436,494.07	8,428,975.84	6,730,370.71	5,135,099.20
Total	3,436,494.07	8,428,975.84	6,730,370.71	5,135,099.20

Other notes, including changes and reason of change:

The increase in the current year represents the safety production expenses accrued in accordance with the proportion stipulated in the Notice on Issuing the Management Measures for the Provision and Use of Enterprise Production Safety Costs (C.Z. [2022] No. 136), and the decrease in the current year represents the actual safety production expenses incurred.

59. Surplus Reserves

Unit: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus reserves	147,677,862.46			147,677,862.46
Discretionary surplus reserves	41,680,270.96			41,680,270.96
Total	189,358,133.42			189,358,133.42

60. Retained Earnings

Unit: RMB

Item	H1 2026	H1 2025
Opening balance of retained earnings before adjustments	4,035,582,297.14	3,655,046,154.57
Opening balance of retained earnings after adjustments	4,035,582,297.14	3,655,046,154.57
Add: Net profit attributable to owners of the parent company	41,705,640.38	214,845,871.24
Less: Appropriation for statutory surplus reserves		336,183.51
Dividends on ordinary shares payable	76,788,911.50	184,293,387.60
Add: Others (note)		350,319,842.44
Closing retained earnings	4,000,499,026.02	4,035,582,297.14

Note: The amount reclassified from other comprehensive income to retained earnings during the prior period was RMB350,319,842.44..

Details of the adjustments of opening retained earnings:

1) RMB0.00 opening retained earnings was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.

2) RMB0.00 opening retained earnings were affected by changes in accounting policies.

3) RMB0.00 opening retained earnings was affected by correction of significant accounting errors.

4) RMB0.00 opening retained earnings was affected by changes in combination scope arising from same control.

(5) RMB0.00 opening retained earnings was affected totally by other adjustments.

Detailed explanation of the use of capital reserves to offset losses: None

61. Operating Revenue and Cost of Sales

Unit: RMB

Item	H1 2026		H1 2025	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	3,888,448,715.59	3,227,889,021.24	4,185,528,329.95	3,379,096,211.37
Other operations	206,656,054.84	171,197,448.48	200,202,789.83	186,224,345.31
Total	4,095,104,770.43	3,399,086,469.72	4,385,731,119.78	3,565,320,556.68

Breakdown information of operating income and operating cost:

Unit: RMB

Category of contracts	Total	
	Operating revenue	Cost of sales
Business Type		
Of which:		
General lighting products	1,611,053,710.35	1,228,774,397.13
LED packaging and component products	949,448,488.62	811,230,046.56
Vehicle lamp products	944,978,608.80	831,545,579.16
Trade and other products	589,623,962.66	527,536,446.87
Classification by operating region		
Of which:		
Domestic	3,271,574,278.55	2,669,800,047.18
Overseas	823,530,491.88	729,286,422.54

Information in relation to the transaction price apportioned to the residual contract performance obligation:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB171,139,779.91 as at the end of the period.

62. Taxes and Surtaxes

Unit: RMB

Item	H1 2026	H1 2025
Urban maintenance and construction tax	8,694,901.36	9,073,146.40
Education surcharge	3,727,050.47	4,078,286.18
Property tax	14,579,017.13	12,564,073.03
Land use tax	3,080,756.63	2,949,828.19
Vehicle and vessel use tax	5,827.20	9,346.88
Stamp duty	4,251,106.24	3,884,049.49
Environmental protection tax	49,584.38	33,538.16

Local education surcharge	2,484,700.34	2,594,481.89
Others	5,019.15	8,691.96
Total	36,877,962.90	35,195,442.18

63. Administrative Expense

Unit: RMB

Item	H1 2026	H1 2025
Employee benefits	128,408,081.89	131,837,173.33
Depreciation charge	53,170,746.87	45,950,398.92
Office expenses	11,514,130.97	13,106,605.91
Engineering decoration cost	3,446,148.33	3,561,866.59
Amortization of intangible assets	5,907,423.05	5,039,291.89
Utilities	3,545,670.56	3,483,871.72
Labor cost	1,422,004.43	2,184,951.46
Intermediary agency fee	6,284,856.14	3,523,533.02
Rental and management fees	3,462,636.00	3,044,193.90
Others	11,313,753.81	12,269,692.81
Total	228,475,452.05	224,001,579.55

64. Selling Expense

Unit: RMB

Item	H1 2026	H1 2025
Employee benefits	84,709,096.71	76,018,915.08
Business propagandize fees and advertising fees	51,092,765.40	59,495,362.31
Sales promotion fees	16,045,498.79	11,457,954.80
Business travel charges	7,448,898.70	5,779,947.18
Office expenses	4,497,959.64	6,887,070.56
Commercial insurance premium	1,891,211.62	2,471,904.93
Others	17,589,358.16	20,780,917.17
Total	183,274,789.02	182,892,072.03

65. Development Costs

Unit: RMB

Item	H1 2026	H1 2025
Personnel labor costs	138,768,345.71	145,282,615.31
Direct input costs	68,114,635.77	81,124,028.88
Depreciation and long-term prepaid expense	22,370,199.49	25,237,404.37
Commissioned external research and development costs	1,124,346.94	3,418,767.96
Design fee	267,452.82	12,264.15
Amortization expense of intangible assets	11,107.51	20,760.96
Others	13,739,689.85	12,573,757.90
Total	244,395,778.09	267,669,599.53

Other notes

In respect of R&D expense incurred by the Company, expense other than that on bench-scale and pilot-scale production is included in R&D expense; and sales revenue of products from bench-scale and pilot-scale production is included in core business revenue and the relevant costs are included in cost of sales of core business.

66. Finance Costs

Unit: RMB

Item	H1 2026	H1 2025
Interest expense	11,351,786.44	8,116,483.14
Less: Interest income	18,626,457.67	20,148,088.69
Foreign exchange gains or losses	23,264,629.16	-2,889,508.01
Handling charge and others	-1,419,264.79	-2,196,542.61
Total	14,570,693.14	-17,117,656.17

67. Other Income

Unit: RMB

Sources	H1 2026	H1 2025
The Deductible Input Tax for Advanced Manufacturing Enterprises	15,740,556.47	19,970,901.49
Technological Transformation Project for Production Capacity Expansion of Fine- Pitch and Outdoor LED Display Components	4,045,503.47	4,561,671.74
VAT refunded as soon as it is levied	3,324,457.08	3,514,199.48
MOM Software R&D Project for Manufacturing Operations Management in NationStar Optoelectronics' Manufacturing Scenarios	2,706,679.37	1,420,000.00
Reward under the 2025 Several Measures for Promoting Stable Growth of the Industrial Economy	1,270,000.00	
Phase II Indirect Coupled Multi-Physics Field Simulation Software Development Project for NationStar Optoelectronics Component Scenarios	1,142,186.69	
Technology Renovation Project for the Production Line of Micro and Flip-chip LED Chips	1,003,900.20	862,079.46
Long-Term Special Treasury Bond Project	998,500.02	262,500.00
Return of handling charges for withholding and remittance	910,043.54	581,015.09
Technological Transformation Project for High- Color- Rendering Index (CRI) LED Packaging Technology Innovation and Key Packaging Equipment for Lighting Applications	785,363.70	785,363.70
Geely Industrial Park LED Ultra-High Definition Display Technology	778,050.00	

Transformation Project (Phase I)		
Hainan Deep-Sea Technology Innovation Centre Special Project for Deep-Sea Technology Industry Promotion (Industrial Development Category) – Construction and Commercial Operation of Deep-Sea Lighting Product Production Lines	501,132.14	159,660.04
Enterprise R&D Reward and Subsidy	500,000.00	403,326.00
Social insurance subsidies	454,002.14	1,032,640.64
The Tax Incentives for the Poor	440,250.00	864,650.00
Research on Color Micro-LED Displays and Ultra-High-Brightness Micro-Display Technologies	356,769.78	5,769.78
Resource Conservation and Environmental Protection Project	343,999.98	343,999.98
Support Fund for the Orderly Industrial Relocation Project in the Foshan-Maoming Cooperation Park	329,946.01	292,509.17
Equipment Subsidies for the Gaozhou Production Base Construction Project	323,057.44	22,407.54
CAE Software R&D Project for Multi-Physics Coupling Simulation of NationStar Optoelectronics' LED Products		1,206,700.00
National Manufacturing Single Champion Award		1,200,000.00
The "Strong Start" Economic Initiative for Q1 by Nanning New and High-tech Industrial Development Zone		1,010,000.00
MOM Prototype Software R&D Project for Manufacturing Operations Management in NationStar Optoelectronics' Manufacturing Scenarios		933,200.00
Autonomous Region New Industrialization Funds		430,000.00
Others	4,236,881.97	5,382,538.34
Total	40,191,280.00	45,245,132.45

68. Net Gain on Exposure Hedges

None.

69. Gain on Changes in Fair Value

Unit: RMB

Sources	H1 2026	H1 2025
Trading financial assets	-662,714.78	345,894.65
Trading financial liabilities	-1,130,190.00	

Total	-1,792,904.78	345,894.65

70. Investment Income

Unit: RMB

Item	H1 2026	H1 2025
Income from long-term equity investments accounted for using the equity method	691,170.38	646,719.77
Investment income from disposal of trading financial assets	681,970.00	420,703.90
Dividend income from other equity investments during the holding period	6,524,382.45	9,727,720.67
Interest income from other debt investments during the holding period	14,490,265.21	15,294,849.67
Gains on debt restructuring	2,612,485.05	
Income from wealth management investments and structured deposits	3,114,361.54	1,357,081.83
Total	28,114,634.63	27,447,075.84

71. Credit Impairment Loss

Unit: RMB

Item	H1 2026	H1 2025
Bad debt loss on notes receivable	-169,057.07	-1,082,149.07
Bad debt loss on accounts receivable	-4,489,931.43	-10,120,936.33
Bad debt loss on other receivables	734,460.86	-898,410.29
Total	-3,924,527.64	-12,101,495.69

72. Asset Impairment Loss

Unit: RMB

Item	H1 2026	H1 2025
I. Loss on impairments of inventories and contract performance costs	-40,759,416.24	-22,345,101.18
XI. Loss on impairment of contract assets	874,446.23	550,205.94
XII. Others		-629,976.09
Total	-39,884,970.01	-22,424,871.33

73. Assets Disposal Income

Unit: RMB

Sources	H1 2026	H1 2025
Gains or losses arising from the disposal of non-current assets classified as held for sale	2,000,000.00	
Gains or losses arising from the disposal of non-current assets not classified as held for sale	743,111.71	-64,693.00

Total	2,743,111.71	-64,693.00

74. Non-operating Income

Unit: RMB

Item	H1 2026	H1 2025	Amount recorded in the current non-recurring profit or loss
Income from default money	10,026,722.15	202,108.27	10,026,722.15
Income from scrap of non-current assets	353,556.45	19,461.06	353,556.45
Of which: income from scrap of fixed assets	353,556.45	19,461.06	353,556.45
Confiscated income		32,100.00	
Others	298,218.11	1,859,646.02	298,218.11
Total	10,678,496.71	2,113,315.35	10,678,496.71

75. Non-operating Expense

Unit: RMB

Item	H1 2026	H1 2025	Amount recorded in the current non-recurring profit or loss
Donations		30,000.00	
Losses on disposal of non-current assets	255,162.27	2,371.68	255,162.27
Of which: losses on disposal of fixed assets	255,162.27	2,371.68	255,162.27
Penalty and delaying payment	682,128.94	795,772.15	682,128.94
Others	766,454.46	1,259,051.77	766,454.46
Total	1,703,745.67	2,087,195.60	1,703,745.67

76. Income Tax Expense

(1) List of Income Tax Expense

Unit: RMB

Item	H1 2026	H1 2025
Current income tax expense	15,862,621.26	26,724,735.72
Deferred income tax expense	357,800.28	-8,405,922.80
Total	16,220,421.54	18,318,812.92

(2) Reconciliation between Accounting Profit and Income Tax Expense

Unit: RMB

Item	H1 2026
Profit before taxation	22,845,000.46
Current income tax expense accounted at statutory/applicable tax rate	3,426,750.07
Influence of applying different tax rates by subsidiaries	1,582,734.31
Influence of income tax before adjustment	4,093,067.68
Influence of non-taxable income	-1,050,091.05

Influence of non-deductible costs, expenses and losses	431,246.17
The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period	-160,102.41
Influence of unrecognized deductible temporary differences and deductible losses	19,353,730.11
Effect of the weighted pre-tax deduction of R&D expenses	-11,456,913.34
Income tax expense	16,220,421.54

77. Other Comprehensive Income

See Note VII-57. Other Comprehensive Income.

78. Cash Flow Statement

(1) Cash Related to Operating Activities

Cash Generated from Other Operating Activities

Unit: RMB

Item	H1 2026	H1 2025
Margin received	5,956,462.51	11,435,215.76
Deposit interest	20,462,773.34	16,644,598.41
Income from subsidy	13,408,655.43	37,237,015.27
Income from waste	15,263,137.92	9,810,965.91
Rental income from property and equipment, utility	4,063,485.68	2,207,358.66
Income from insurance compensation	155,391.15	
Others	19,516,532.05	21,134,864.94
Total	78,826,438.08	98,470,018.95

Cash Used in Other Operating Activities

Unit: RMB

Item	H1 2026	H1 2025
Administrative expense and R&D expense paid in cash	58,858,730.88	72,987,101.29
Selling expense paid in cash	73,727,669.54	49,217,298.77
Finance costs paid in cash	1,575,425.80	6,712,280.00
Cash deposit paid	5,531,304.61	13,458,767.82
Others	43,444,292.12	72,633,074.40
Total	183,137,422.95	215,008,522.28

(2) Cash Related to Investing Activities

Cash Generated from Other Investing Activities

Unit: RMB

Item	H1 2026	H1 2025
Net cash paid for acquisition of subsidiaries, reclassified		22,826,907.16
Proceeds from foreign exchange settlement		215,850.00
Total		23,042,757.16

Cash Used in Other Investing Activities

Unit: RMB

Item	H1 2026	H1 2025
Gain or loss on settlement of foreign exchange margin	76,800.00	
Total	76,800.00	

(3) Cash Related to Financing Activities

Cash Generated from Other Financing Activities

Unit: RMB

Item	H1 2026	H1 2025
Release of margin for bank acceptance bills	136,496,357.64	35,675,972.28
Release of foreign exchange margin	16,927,533.26	
Total	153,423,890.90	35,675,972.28

Cash Used in Other Financing Activities

Unit: RMB

Item	H1 2026	H1 2025
Lease expenses and financing intermediary fees, etc.	2,774,547.17	1,090,901.93
Cash paid as security deposit for bank acceptance bills		14,576,319.88
Others		816,798.83
Total	2,774,547.17	16,484,020.64

Changes in liabilities arising from financing activities

☑ Applicable □ Not applicable

Unit: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash	Non-cash	Cash	Non-cash	
Short-term borrowings	635,015,074.86	161,321,212.00	312,039,086.93	387,391,605.88	139,393,820.65	581,589,947.26
Long-term borrowings	192,915,075.78	32,690,237.42	2,562,183.13	21,957,812.28	26,788,734.78	179,420,949.27
Current portion of non-current liabilities	131,296,264.00		61,177,368.82	53,055,000.00	35,424,851.86	103,993,780.96
Lease liabilities	15,354,724.02		29,201,996.79	2,488,176.39	31,033,125.02	11,035,419.40
Total	974,581,138.66	194,011,449.42	404,980,635.67	464,892,594.55	232,640,532.31	876,040,096.89

(4) Description of Cash Flows Presented on a Net Basis

None.

(5) Significant Activities and Financial Impact that Do Not Involve Current Cash Receipts and Disbursements but Affect the Company's Financial Position or May Affect the Company's Cash Flows in the Future

In H1 2026, the Company and its subsidiaries received RMB2,307,117,000 in various types of acceptance bills issued and endorsed by customers, and RMB1,739,840,400 in various types of acceptance bills endorsed and transferred to suppliers. In addition, the Company and its subsidiaries received a total of RMB282,925,600 in payments for goods through bill discounting. Regarding material activities and financial effects of supplier financing arrangements that do not involve cash flows in the period but affect the Company's financial position or may affect its future cash flows, please refer to "Note VII-79-(7) Notes on Other Significant Activities - Supplier Financing Arrangements".

79. Supplemental Information for Cash Flow Statement

(1) Supplemental Information for Cash Flow Statement

Unit: RMB

Supplemental information	H1 2026	H1 2025
1. Reconciliation of net profit to net cash flows generated from operating activities:		
Net profit	6,624,578.92	147,923,875.73
Add: Provision for impairment of assets	43,809,497.65	34,526,367.02
Depreciation of fixed assets, oil-gas assets, and productive living assets	273,728,278.86	271,632,208.57
Depreciation of right-of-use assets	6,183,253.73	5,392,572.34
Amortization of intangible assets	15,499,496.34	12,719,631.55
Amortization of long-term prepaid expenses	47,743,209.84	47,987,420.82
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains: negative)	-2,743,111.71	64,693.00
Losses from scrapping of fixed assets (gains: negative)	-98,394.18	-17,089.38
Losses from changes in fair value (gains: negative)	1,792,904.78	-345,894.65
Finance costs (gains: negative)	35,818,435.10	3,163,870.70
Investment loss (gains: negative)	-28,114,634.63	-27,447,075.84
Decrease in deferred income tax assets (increase: negative)	3,684,958.85	-3,720,364.18
Increase in deferred income tax liabilities ("-" for decrease)	-3,324,702.42	-4,685,558.62
Decrease in inventory ("-" for increase)	-218,337,453.67	-21,335,937.11
Decrease in operating receivables ("-" for increase)	-324,116,576.79	-316,641,457.57
Increase in operating payables ("-" for decrease)	22,948,753.75	-140,077,259.25
Others	1,698,605.13	705,009.82
Net cash generated from/used in operating activities	-117,202,900.45	9,845,012.95
2. Significant investing and financing activities without involvement of cash receipts and payments:		
Transfer of debts into capital		

Current portion of convertible corporate bonds		
Fixed assets leased in for financing		
3. Net increase/decrease of cash and cash equivalents:		
Closing balance of cash	1,910,692,503.88	2,545,828,784.72
Less: Opening balance of cash	2,819,359,299.72	2,684,382,020.41
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-908,666,795.84	-138,553,235.69

(2) Net Cash Paid For Acquisition of Subsidiaries

None.

(3) Net Cash Received from Disposal of the Subsidiaries

None.

(4) Cash and Cash Equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	1,910,692,503.88	2,819,359,299.72
Including: Cash on hand	25,517.85	33,030.81
Bank deposit on demand	1,903,607,061.74	2,802,250,069.46
Other monetary assets on demand	7,059,924.29	17,076,199.45
III. Closing balance of cash and cash equivalents	1,910,692,503.88	2,819,359,299.72

(5) Items That Were Restricted in Use But still Presented as Cash and Cash Equivalents

None.

(6) Monetary Assets Not Classified as Cash and Cash Equivalents

Unit: RMB

Item	H1 2026	H1 2025	Reason for not classifying the item as cash and cash equivalents
Note deposits, bond deposits, pre-sale of properties, etc.	478,677,249.14	524,122,497.12	Specific purpose
Interest not received	4,099,989.62	14,468,117.34	Interest receivable accrued on bank deposits and time deposits not yet matured as at the end of the Reporting Period
Total	482,777,238.76	538,590,614.46	

(7) Notes on Other Significant Activities

Supplier financing arrangements

1) Terms and conditions of the supplier financing arrangements

Through the supply chain finance service platforms provided by China Everbright Bank Co., Ltd., China Merchants Bank Co., Ltd. and China CITIC Bank Corporation Limited, the Company undertakes reverse factoring arrangements under which suppliers transfer their accounts receivable from the Company to the supply chain finance service platforms. Based on the verified information of the accounts receivable, the supply chain finance service platforms provide financing to the suppliers. The Company makes payments to the supply chain finance service platforms on the agreed payment date, which is generally the 11th month after the disbursement date. The Company's obligation to make payments is unconditional and irrevocable and is not affected by any disputes between the suppliers and the financing providers.

2) Presentation line items and gross amounts in the balance sheet of financial liabilities that are part of supplier financing arrangements, and payments already received by suppliers from the financing providers

Item	June 30, 2026	December 31, 2025
Short-term borrowings	310,823,972.00	414,007,606.03
Of which: Payments already received by suppliers	310,823,972.00	414,007,606.03

3) Range of maturity dates of financial liabilities that are part of supplier financing arrangements

Item	June 30, 2026
Financial liabilities that are part of supplier financing arrangements	Within 30 to 60 days from the date of invoice
Comparable accounts payable not part of supplier financing arrangements	As agreed in the contract

4) Types and effects of non-cash changes in the period for financial liabilities that are part of supplier financing arrangements

In H1 2026, the Company derecognized accounts payable and increased short-term borrowings by RMB175,257,497.06 as a result of supplier financing arrangements, representing a non-cash change.

80. Notes to Items of the Statements of Changes in Owners' Equity

Notes to the name of "Other" of closing balance at the end of the previous year adjusted and the amount adjusted:

None.

81. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

Unit: RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Monetary assets			392,516,157.82
Of which: USD	53,156,861.95	6.8109	362,046,071.06

EUR	645,898.06	7.7671	5,016,754.82
HKD	51,820.79	0.86855	45,008.95
IDR	61,291,328,237.06	0.000381	23,351,996.06
THB	10,067,982.30	0.204244194	2,056,326.93
Accounts receivable			267,864,572.77
Of which: USD	38,947,452.04	6.8109	265,267,201.10
EUR	228,718.23	7.7671	1,776,477.36
HKD	101,255.39	0.86855	87,945.37
IDR	1,923,750,504.52	0.000381	732,948.94
Long-term borrowings			
Of which: USD			
EUR			
HKD			
Other receivables			656,027.71
Of which: USD	994.20	6.8109	6,771.40
IDR	417,507,201.35	0.000381	159,070.24
THB	2,400,000.00	0.204244194	490,186.07
Accounts payable			11,057,225.85
Of which: USD	1,078,368.05	6.8109	7,344,656.95
EUR	223,005.46	7.7671	1,732,105.71
IDR	5,198,066,103.69	0.000381	1,980,463.19
Other current assets			28,887.08
Of which: IDR	75,819,101.76	0.000381	28,887.08
Other payables			720,874.78
Of which: IDR	1,892,059,791.59	0.000381	720,874.78

(2) The Nature and Financial Impacts of the Lack of Exchangeability, the Spot Exchange Rate Used and Its Estimation Process, and the Risks to the Entity Arising from the Lack of Exchangeability

□ Applicable ☑ Not applicable

(3) Notes to Overseas Entities Including: for Significant Oversea Entities, Main Operating Place, Functional Currency and Selection Basis Shall Be Disclosed; if there Are Changes in Functional Currency, Relevant Reasons Shall Be Disclosed.

□ Applicable ☑ Not applicable

(4) The Lack of Exchangeability between the Functional Currency of an Overseas Entity and the Entity‘s Presentation Currency

□ Applicable ☑ Not applicable

82. Leases

(1) The Company Was Lessee

☑ Applicable □ Not applicable

Variable lease payments not included in the measurement of lease liabilities

□ Applicable ☑ Not applicable

Simplified short-term lease or lease expense for low-value assets

☑ Applicable □ Not applicable

Unit: RMB

Item	Amount
Simplified short-term lease charges recognized in the cost of the related assets or in current profit or loss	477,771.09
Low-value asset lease expenses accounted for using the simplified approach and recognized in the cost of related assets or profit or loss (excluding short-term lease expenses for low-value assets)	217,214.79
Total cash outflows related to leases	6,159,501.40

Involved in sale and leaseback transactions

None.

(2) The Company Was Lessor

Operating leases with the Company as lessor

☑ Applicable □ Not applicable

Unit: RMB

Item	Rental income	Of which: income related to variable lease payments not included in lease receipts
Housing rental and others	5,783,221.79	
Total	5,783,221.79	

Finance leases with the Company as lessor

□ Applicable ☑ Not applicable

Undiscounted lease receipts for each of the next five years

□ Applicable ☑ Not applicable

Reconciliation of undiscounted lease receipts to net investment in leases

None.

(3) Gains or Losses on Sales Recognized under Finance Leases as a Producer or Distributor

□ Applicable ☑ Not applicable

83. Data Resources

None.

84. Other information

None.

VIII Research and Development Expenditure

Unit: RMB

Item	H1 2026	H1 2025
Personnel labor costs	138,768,345.71	145,282,615.31
Direct input costs	68,114,635.77	81,124,028.88
Depreciation and long-term prepaid expense	22,370,199.49	25,237,404.37
Commissioned external research and development costs	1,124,346.94	3,418,767.96
Design fee	267,452.82	12,264.15
Amortization expense of intangible assets	11,107.51	20,760.96
Others	13,739,689.85	12,573,757.90
Total	244,395,778.09	267,669,599.53
Of which: Expensed research and development expenditure	244,395,778.09	267,669,599.53

Other notes:

In respect of R&D expense incurred by the Company, expense other than that on bench-scale and pilot-scale production is included in R&D expense; and sales revenue of products from bench-scale and pilot-scale production is included in core business revenue and the relevant costs are included in cost of sales of core business.

IX. Change of Consolidation Scope

None.

X Equity in Other Entities

1. Equity in Subsidiary

(1) Subsidiaries

Unit: RMB

Name of subsidiaries	Registered capital	Main operating place	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirectly	
Foshan Fozhao Zhicheng Technology Co., Ltd.	50,000,000.00	Foshan	Foshan	Production and sales	100.00%		Newly established
FSL Chanchang Lighting Co., Ltd.	72,782,944.00	Foshan	Foshan	Production and sales	100.00%		Newly established
Foshan Taimei Times Lamp Co., Ltd.	500,000.00	Foshan	Foshan	Production and sales	70.00%		Newly established
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	35,418,439.76	Xinxiang	Xinxiang	Production and sales	100.00%		Newly established

Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	41,683,200.00	Nanjing	Nanjing	Production and sales	100.00%		Acquired
FSL Zhida Electric Technology Co., Ltd.	38,150,000.00	Foshan	Foshan	Production and sales	66.84%		Newly established
Guangdong Fozhao Optoelectronics Co., Ltd.	17,158,000.00	Foshan	Foshan	Production and sales	100.00%		Newly established
NationStar Optoelectronics (Germany) Co., Ltd.	1,436,419.00	Germany	Germany	Trade		100.00%	Business combination under the same control
FSL (Thailand) Lighting Technology Co., Ltd.	44,169,465.35	Thailand	Thailand	Production and sales		100.00%	Newly established
Foshan Kelian New Energy Technology Co., Ltd.	170,000,000.00	Foshan	Foshan	Property development	100.00%		Business combination under the same control
Fozhao (Hainan) Technology Co., Ltd.	200,000,000.00	Haikou	Haikou	Production and sales	100.00%		Newly established
Zhejiang Hule Electrical Equipment Manufacturing Co., Ltd.	29,000,000.00	Jiaxing	Jiaxing	Production and sales		66.00%	Acquired
Nanning Liaowang Auto Lamp Co., Ltd.	35,319,543.00	Nanning	Nanning	Manufacturing of vehicle lamps	53.39%		Acquired
Liuzhou Guige Lighting Technology Co., Ltd.	30,000,000.00	Liuzhou	Liuzhou	Manufacturing of vehicle lamps		53.39%	Acquired
Liuzhou Guige Fuxuan Technology Co., Ltd.	20,000,000.00	Liuzhou	Liuzhou	Manufacturing of automotive electronic products		53.39%	Acquired
Chongqing Guinuo Lighting Technology Co., Ltd.	30,000,000.00	Chongqing	Chongqing	Manufacturing of vehicle lamps		53.39%	Acquired
Qingdao Guige Lighting Technology Co., Ltd.	30,000,000.00	Qingdao	Qingdao	Manufacturing of vehicle lamps		53.39%	Acquired
Indonesia Liaowang Auto Lamp Co., Ltd.	40,873,066.42	Indonesia	Indonesia	Manufacturing of vehicle lamps		53.39%	Acquired
Liaowang Auto Lamp (Suzhou) Co., Ltd.	25,000,000.00	Suzhou	Suzhou	Manufacturing of vehicle lamps		53.39%	Newly established
Foshan Sigma Venture Capital Co., Ltd.	50,000,000.00	Foshan	Foshan	Business services	100.00%		Business combination under the same control
Foshan NationStar Optoelectronics Co., Ltd.	618,477,169.00	Foshan	Foshan	Electronic manufacturing	21.48%		Business combination under the same

							control
Foshan NationStar Semiconductor Co., Ltd.	820,000,000.00	Foshan	Foshan	Electronic manufacturing		21.48%	Business combination under the same control
Foshan Guoxing Electronic Manufacture Co., Ltd.	110,000,000.00	Foshan	Foshan	Electronic manufacturing		21.48%	Business combination under the same control
Guangdong New Electronics Information Ltd.	5,000,000.00	Guangzhou	Guangzhou	Trade		21.48%	Business combination under the same control
Guangdong Fenghua Semiconductor Technology Co., Ltd.	200,000,000.00	Guangzhou	Guangzhou	Electronic manufacturing		21.45%	Business combination under the same control
Gaozhou NationStar Lighting Technology Co., Ltd.	30,000,000.00	Maoming	Maoming	Electronic manufacturing		10.95%	Newly established
Fozhao Huaguang (Maoming) Technology Co., Ltd.	22,920,000.00	Maoming	Maoming	Production and sales	100.00%		Newly established
Guangdong Airtrust Aviation Equipment Co., Ltd.	50,000,000.00	Guangzhou	Guangzhou	Production and sales	45.00%		Acquired

Notes to holding proportion in subsidiary different from voting proportion:

None.

Basis of holding half or less voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

No.	The investee	Shareholding percentage at the end of the year	Reasons for consolidation
1	Foshan NationStar Optoelectronics Co., Ltd.	21.48%	In February 2022, FSL completed the acquisition of a 100% equity interest in Sigma (which held 79,753,050 shares of NationStar Optoelectronics) held by Guangdong Electronics Information Industry Group Ltd., as well as an aggregate of 52,051,945 shares of NationStar Optoelectronics held by Guangdong Rising Holdings Group Co., Ltd. and Guangdong Rising Finance Holding Co., Ltd., by way of cash consideration. Upon completion of the restructuring, FSL and its wholly-owned subsidiary held an aggregate of 132,819,895 shares of NationStar Optoelectronics, representing 21.48% of the total share capital of NationStar
2	Foshan NationStar Semiconductor Co., Ltd.	21.48%	
3	Foshan Guoxing Electronic Manufacture Co., Ltd.	21.48%	
4	Guangdong New Electronics Information Ltd.	21.48%	
5	Guangdong Fenghua Semiconductor Technology Co., Ltd.	21.45%	
6	Gaozhou NationStar Lighting Technology Co., Ltd.	10.95%	

			Optoelectronics, and FSL became the controlling shareholder of NationStar Optoelectronics. (i) FSL is the largest controlling shareholder of NationStar Optoelectronics in terms of shareholding percentage; (ii) FSL is able to determine the appointment of more than half of the members of the board of directors of NationStar Optoelectronics by virtue of the voting rights it actually exercises over the shares of the listed company; and (iii) the voting rights of FSL in respect of the shares of NationStar Optoelectronics that it may actually exercise are sufficient to have a material impact on the resolutions of the general meeting of NationStar Optoelectronics. Accordingly, FSL can actually control NationStar Optoelectronics.
7	Guangdong Airtrust Aviation Equipment Co., Ltd.	45.00%	In April 2025, FSL obtained a 45% equity interest in Airtrust by way of capital increase, thereby becoming the controlling shareholder of Airtrust. (i) FSL is the largest controlling shareholder of Airtrust in terms of shareholding percentage; (ii) FSL is able to determine the appointment of more than half of the members of the board of directors of Airtrust by virtue of the voting rights it actually exercises over the shares of Airtrust; and (iii) the voting rights of FSL in respect of the shares of Airtrust that it may actually exercise are sufficient to have a material impact on the resolutions of the general meeting of Airtrust. Accordingly, FSL can actually control Airtrust.

Significant structural entities and controlling basis in the scope of combination:

None.

Basis of determining whether the Company is the agent or the principal:

None.

Other notes:

Guoxing Electronic Manufacture, NationStar Semiconductor, New Electronics, Fenghua Semiconductor and Gaozhou NationStar are subsidiaries of NationStar Optoelectronics.

(2) Significant Non-wholly-owned Subsidiary

Unit: RMB

Name	Shareholding proportion of non-controlling interests	The profit or loss attributable to the non-controlling interests	Declaring dividends distributed to non-controlling interests	Balance of non-controlling interests at the period-end
Nanning Liaowang Auto Lamp Co., Ltd.	46.61%	1,421,021.58		500,277,851.99
Foshan NationStar	78.52%	-38,125,147.09		2,956,066,590.20

Optoelectronics Co., Ltd.				

Holding proportion of non-controlling interests in subsidiary different from voting proportion:

None.

(3) The Main Financial Information of Significant Not Wholly-owned Subsidiary

Unit: RMB

Name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Nanning Liaowang Auto Lamp Co., Ltd.	1,716,653,716.64	1,202,859,768.29	2,919,513,484.93	1,679,254,411.83	166,947,239.54	1,846,201,651.37	1,983,061,182.57	1,142,009,112.77	3,125,070,295.34	1,880,387,277.03	179,494,886.95	2,059,882,163.98
Foshan Nation Star Optoelectronics Co., Ltd.	3,476,218,518.11	2,215,600,737.04	5,691,819,255.15	1,705,838,803.08	227,520,878.48	1,933,359,681.56	3,767,011,387.21	2,338,430,001.99	6,105,441,389.20	2,076,906,066.03	239,363,822.25	2,316,269,888.28

Unit: RMB

Name	H1 2026				H1 2025			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Nanning Liaowang Auto Lamp Co., Ltd.	937,768,440.58	3,050,331.35	356,164.28	-111,744,396.61	914,845,763.09	23,766,475.75	23,010,159.22	48,082,149.88
Foshan NationStar Optoelectronics Co., Ltd.	1,347,995,268.46	-48,612,733.72	-48,612,733.72	-243,358,735.47	1,681,244,438.51	24,571,004.38	24,571,004.38	-6,708,763.72

(4) Significant Restrictions on Using the Assets and Liquidating the Liabilities of the Company

None.

(5) Financial Support or Other Supports Provided to Structural Entities Incorporated into the Scope of Consolidated Financial Statements

None.

2. The Transaction of the Company with Its Owner's Equity Share Changed but Still Controlling the Subsidiary

(1) Note to the Owner's Equity Share Changed in Subsidiary

Name	Equity interest before the change		Equity interest after the change	
	Direct	Indirect	Direct	Indirect
Nanning Liaowang Auto Lamp Co., Ltd.	53.79%		53.39%	
Gaozhou NationStar Lighting Technology Co., Ltd.		21.48%		10.95%

(2) The Transaction's Influence on the Equity of Non-controlling Interests and the Owner's Equity Attributable to the Parent Company

Unit: RMB

	Nanning Liaowang Auto Lamp Co., Ltd.	Gaozhou NationStar Lighting Technology Co., Ltd.
Purchase cost/disposal consideration		35,900.00
--Cash		35,900.00
--Fair value of non-cash assets		
Total purchase cost/disposal consideration		35,900.00
Less: Share of net assets of subsidiaries based on percentage of equity acquired/disposed of	112,699.07	28,188.68
Difference	-112,699.07	7,711.32
Of which: Adjusting capital reserve	-112,699.07	7,711.32
Adjusting surplus reserve		
Adjusting retained earnings		

3. Equity in Joint Ventures or Associated Enterprises

(1) Significant Joint Ventures or Associated Enterprises

None.

(2) Main Financial Information of Significant Joint Ventures

None.

(3) Main Financial Information of Significant Associated Enterprises

None.

(4) Summary Financial Information of Insignificant Joint Ventures or Associated Enterprises

Unit: RMB

	Closing balance/H1 2026	Opening balance/H1 2025
Joint ventures:		
Total carrying amount of investment	185,497,823.30	184,806,652.92
The total of following items according to the shareholding proportions		

--Net profit	691,170.38	646,719.77
--Total comprehensive income	691,170.38	646,719.77

(5) Note to the Significant Restrictions on the Ability of Joint Ventures or Associated Enterprises to Transfer Funds to the Company

None.

(6) The Excess Loss of Joint Ventures or Associated Enterprises

None.

(7) The Unrecognized Commitment Related to Investment to Joint Ventures

None.

(8) Contingent Liabilities Related to Investment to Joint Ventures or Associated Enterprises

None.

4. Significant Common Operation

None.

5. Equity in the Structured Entity Excluded in the Scope of Consolidated Financial Statements

None.

6. Other information

None.

XI Government Grants

1. Government Grants Recognized at the Receivable Amount at the End of the Reporting Period

□ Applicable ☑ Not applicable

Reasons for failing to receive government grants in the estimated amount at the expected time

□ Applicable ☑ Not applicable

2. Liability Items Involving Government Grants

☑ Applicable □ Not applicable

Unit: RMB

Accounting items	Opening balance	Amount of newly subsidy	Amount recorded into non-operating income in the period	Amount transferred to other income in the period	Other changes	Closing balance	Related to assets/related to income
Deferred income	107,447,502.37	7,011,300.00		11,405,401.54		103,053,400.83	Related to assets

Deferred income	9,484,242.70	1,580,285.57		4,494,231.12		6,570,297.15	Related to income

3. Government Grants through Profit or Loss

☑ Applicable □ Not applicable

Unit: RMB

Accounting items	H1 2026	H1 2025
Other income	22,747,629.99	23,387,446.31
Finance costs	899,951.18	

XII The Risk Related to Financial Instruments

1. Various Types of Risks Arising from Financial Instruments

The primary financial instruments of the Company include equity investments, held-for-trading financial assets, receivables financing, bills receivable, accounts receivable, other receivables, other current assets, other debt investments, accounts payable, bills payable, other payables, short-term borrowings, long-term borrowings, etc. The details of each financial instrument see relevant items of Note VII.

The main risks of the Company due to financial instruments were credit risk, liquidity risk and market risk. The operating management of the Company was responsible for the risk management target and the recognition of the policies.

(1) Credit Risk

Credit risk was one party of the contract failed to fulfil the obligations and causes loss of financial assets of the other party. The credit risk the Company faced was selling on credit which leads to customer credit risk.

The Company will evaluate credit risk of new customer, and set credit limit, once the balance of account receivable over credit limit, require the customer to pay or producing and delivering goods shall be approved by the management of the Company.

The Company through monthly aging analysis of account receivable and monitoring the collection situation of the customer ensured the overall credit risk of the Company was in control scope. Once appear abnormal situation, the Company should conduct necessary measures to requesting the payment timely.

(2) Liquidity Risk

Liquidity risk is referred to their risk of incurring capital shortage when performing settlement obligation in the way of cash payment or other financial assets. The policies of the Company are to ensure that there was sufficient cash to pay the due liabilities. The liquidity risk is centralized controlled by the Financial Department of the Company. The liquidity risk is centralized controlled by the Financial Management Department of the

Company. The Financial Management Department through supervising the balance of the cash and securities can be convert to cash at any time and the rolling prediction of cash flow in future 12 months to ensure the Company have sufficient cash to pay the liabilities under the case of all reasonable prediction.

(3) Market Risk

Market risk was referred to risk of the fair value or future cash flow of financial instrument changed due to the change of market price, including: exchange rate risk, interest rate risk and other price risk.

1) Exchange Rate Risk

Exchange rate risk refers to the risk of loss due to exchange rate changes. The Company's exposure to foreign exchange risk is mainly related to the US dollar and the euro. As at June 30, 2026, the Company's assets and liabilities were in RMB, except for the balances of USD, EUR, HKD, IDR and THB as set out in this Note VII-81. Foreign Currency Monetary Items. Foreign exchange risk arising from the assets and liabilities of such foreign currency balances may have a certain impact on the Company's operating results.

The Company made efforts to avoid exchange rate risk through forward exchange settlement, improving operation management and promoting the international competitiveness of the Company, etc.

2) Interest Rate Risk

Interest rate risk refers to fluctuation risk of the fair value or future cash flow of financial instrument change due to the change of market interest rates. The interest rate risk faced by the Company mainly comes from bank borrowings. By establishing a good bank-enterprise relationship, the Company reasonably designed the credit line, credit variety and credit period, ensured sufficient credit line of banks, and met various long- and short-term financing needs of the Company with preferential loan interest rates. As at June 30, 2026, the Company's fixed interest rate loan balance was RMB855,299,076.12 , accounting for 100% of the total loan balance. Therefore, the market risk of interest rate changes borne by the Company is not significant.

3) Other Price Risk

The Group's other price risks arise primarily from equity investments, as there is the risk of changes in the price of equity instruments.

As at June 30, 2026, if the expected prices of the Group's various equity investments increase or decrease by 1%, and other factors remain unchanged, the Group shall increase or decrease comprehensive income by approximately RMB3,430,399.22 (December 31, 2025: increasing or decreasing comprehensive income by approximately RMB3,437,264.37).

2. Hedge

(1) The Company Carries out Hedging Business for Risk Management

□ Applicable ☑ Not applicable

(2) The Company Conducts Eligible Hedging Operations and Applies Hedge Accounting

None.

(3) The Company Conducts Hedging Operations for Risk Management, Expects to Achieve Its Risk Management Objectives, but Does Not Apply Hedge Accounting

□ Applicable ☑ Not applicable

3. Financial Assets

(1) Classification of Transfer Methods

☑ Applicable □ Not applicable

Unit: RMB

Transfer methods	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for determining derecognition
Bills endorsement	Accounts receivable financing	796,179,954.59	Yes	Due to the low credit risk and deferred payment risk of bank acceptance bills in accounts receivable financing, and the transfer of interest rate risk related to the bills to the bank, it can be concluded that almost all risks and rewards of ownership of the bills have been transferred
Bills discounting	Accounts receivable financing	241,092,414.91	Yes	Almost all risks and rewards related to the ownership of the bills have been transferred
Bills endorsement	Notes receivable	73,423,012.68	Yes	Almost all risks and rewards related to the ownership of the bills have been transferred
Bills endorsement	Notes receivable	137,366,359.33	No	Retaining almost all risks and rewards, including default risks associated with them
Bills discounting	Notes receivable	16,182,905.66	No	Retaining almost all risks and rewards, including default risks associated with them
Cloud Credit endorsement	Accounts receivable	1,050,000.00	No	Retaining almost all risks and rewards, including default risks associated with them
Total		1,265,294,647.17		

(2) Financial Assets Derecognized due to Transfer

☑ Applicable □ Not applicable

Unit: RMB

Item	Method of financial assets transfer	Amount of derecognized financial assets	Gains or losses related to derecognition
Accounts receivable financing	Bills endorsement	796,179,954.59	
Accounts receivable financing	Bills discounting	241,092,414.91	-915,896.65
Notes receivable	Bills endorsement	73,423,012.68	
Total		1,110,695,382.18	-915,896.65

(3) Continuing Involvement in Transferred Financial Assets

☑ Applicable □ Not applicable

Unit: RMB

Item	Method of assets transfer	Amount of assets resulting from continued involvement	Amount of liabilities resulting from continued involvement
Notes receivable		153,549,264.99	153,549,264.99
Of which: Bank's acceptance bill	Bills endorsement	152,278,185.39	152,278,185.39
Commercial acceptance bill	Bills endorsement	1,271,079.60	1,271,079.60
Accounts receivable	Cloud Credit endorsement	1,050,000.00	1,050,000.00
Total		154,599,264.99	154,599,264.99

XIII The Disclosure of Fair Value

1. Closing Fair Value of Assets and Liabilities at Fair Value

Unit: RMB

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Consistent fair value measurement	--	--	--	--
(I) Trading financial assets	2,106,282.55			2,106,282.55
1. Financial assets at fair value through profit or loss	2,106,282.55			2,106,282.55
(2) Equity investments	2,106,282.55			2,106,282.55
(II) Other debt investments		1,143,781,156.83		1,143,781,156.83
(III) Other equity investments	391,758,657.45		65,932,543.80	457,691,201.25
(IV) Receivable financing			467,728,813.47	467,728,813.47
Total assets measured at fair value on a recurring basis	393,864,940.00	1,143,781,156.83	533,661,357.27	2,071,307,454.10
(VI) Trading financial liabilities	441,690.00			441,690.00
Others	441,690.00			441,690.00

Total liabilities measured at fair value on a recurring basis	441,690.00			441,690.00
II. Inconsistent fair value measurement	--	--	--	--

2. Basis for determining the market value of continuing and discontinuing level 1 fair value measurement items

Level 1 fair value measurements are determined based on the market price of equities at the balance sheet date and the mid-price of the RMB exchange rate published by the State Administration of Foreign Exchange as quoted prices in an active market.

3. Continuing and discontinuing Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques used and significant parameters

The fair value of financial products subscribed by the Group and other debt investments that are measured at fair value is determined by reference to the expected rate of return provided by the financial institutions.

4. Continuing and discontinuing Level 3 fair value measurement items, qualitative and quantitative information on the valuation techniques used and significant parameters

(1) The Company measured the investment at cost as a reasonable estimate of fair value because there were no significant changes in the business environment and operating and financial conditions of the investee companies, GF Bank, Guangdong Embodied Intelligence Technology Co., Ltd., Foshan Nanhai District United Guangdong New Light Source Industry Innovation Center, Beijing Glory Alliance Semiconductor Lighting Industry Investment Center, Guangdong Rising Hundred Counties, Thousand Towns, and Ten Thousand Villages High Quality Development Project Industrial Investment Fund of Funds Partnership Enterprise (Limited Partnership) and Guangdong Rising Finance Co., Ltd.

(2) The Company measured the investee, Shenzhen Sinohao (Group) Co., Ltd., at nil as a reasonable estimate of fair value due to the deterioration of its business environment and operating and financial conditions.

(3) The receivables financing represents bank acceptance notes held by the Company with a short remaining maturity, the face value of which approximates the fair value and the face amount is used to recognize the fair value at the statement date.

5. Sensitiveness Analysis on Unobservable Parameters and Adjustment Information between Beginning and Ending Carrying Value of Consistent Fair Value Measurement Items at Level 3

None.

6. Explain the Reason for Conversion and the Governing Policy when the Conversion Happens if Conversion Happens among Consistent Fair Value Measurement Items at Different Levels

None.

7. Changes in the Valuation Technique in the Period and the Reason for Such Changes

None.

8. Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

Financial assets and liabilities not measured at fair value include: monetary assets, accounts receivable and accounts payable, etc. There is small difference between the carrying amount of above financial assets and liabilities and fair value.

9. Other information

None.

XIV Related Party and Related-party Transactions

1. The parent company of the Company

Name	Registration place	Nature of business	Registered capital	Proportion of share held by the parent company against the Company (%)	Proportion of voting rights owned by the parent company against the Company (%)
Hongkong Wah Shing Holding Company Limited	Hong Kong	Investment	HKD412.737 million	12.85%	12.85%
Guangdong Electronics Information Industry Group Ltd.	Guangzhou	Production and sales	RMB1.662 billion	9.35%	9.35%
Guangdong Rising Holdings Group Co., Ltd.	Guangzhou	Investment	RMB10 billion	8.45%	8.45%
Rising Investment Development Limited	Hong Kong	Investment	RMB0.42 billion and HKD1 million	1.66%	1.66%
Total				32.31%	32.31%

Notes to the parent company

Hongkong Wah Shing Holding Company Limited (hereinafter referred to as "Hongkong Wah Shing"), the largest shareholder of the Company, is a wholly-owned subsidiary of Guangdong Electronics Information

Industry Group Ltd. (hereinafter referred to as "Electronics Group"), and Electronics Group and Rising Investment Development Limited (hereinafter referred to as "Hongkong Rising Investment") are wholly-owned subsidiaries of Guangdong Rising Holdings Group Co., Ltd. (hereinafter referred to as "Rising Holdings Group"). According to the relevant provisions of the Company Law and the Measures for the Administrative Measures on Acquisition of Listed Companies, Hongkong Wah Shing, Electronics Group, and Hongkong Rising Investment are concerted actors of Rising Holdings Group, and Rising Holdings Group is the actual controller of the Company. As at June 30, 2026, the total proportion of shares held by Rising Holdings Group and its concerted actors was 32.31%.

The final controller of the Company is Guangdong Rising Holdings Group Co., Ltd.

2. Subsidiaries of the Company

Refer to Note X-1. Equity in Subsidiaries for details.

3. Information on the Joint Ventures and Associated Enterprises of the Company

Refer to Note X-3. Equity in Joint Ventures or Associated Enterprises for details of significant joint ventures or associated enterprises of the Company.

4. Information on Other Related Parties

Name	Relationship with the Company
Guangdong Zhongren Group Construction Co., Ltd.	Under same actual controller
Guangdong Rising Digital Technology Co., Ltd.	Under same actual controller
Guangdong Xintaochip Microelectronics Co., Ltd.	Under same actual controller
Shenzhen Yueding Precise Machinery Co., Ltd.	Under same actual controller
Guangdong Rising Urban Services Co., Ltd.	Under same actual controller
Shenzhen Yuepeng Construction Co., Ltd.	Under same actual controller
Primatronix Nanho Technology Ltd.	Under same actual controller
Zhuhai Dongjiang Environmental Protection Technology Co., Ltd.	Under same actual controller
Guangdong Fenghua New Energy Co., Ltd.	Under same actual controller
Shenzhen Longgang Dongjiang Industrial Waste Treatment Co., Ltd.	Under same actual controller
Guangdong Rising Commercial Development Co., Ltd.	Under same actual controller
Zhuhai Doumen District Yongxingsheng Environmental Industry Waste Recovery and Comprehensive Treatment Co., Ltd.	Under same actual controller
Foshan Fulong Environmental Technology Co., Ltd.	Under same actual controller
Jiangmen Dongjiang Environmental Company Limited	Under same actual controller
Guangdong Yixin Changcheng Construction Group	Under same actual controller
Guangdong Rising Hydrogen Energy Co., Ltd.	Under same actual controller
Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.	Under same actual controller
Guangdong Zhongnan Construction Co., Ltd.	Under same actual controller
Guangzhou Haixinsha Industrial Co., Ltd.	Under same actual controller (deregistered on May 27, 2026)
Guangdong Huajian Enterprise Group Co., Ltd.	Under same actual controller
Guangzhou Huajian Business Development Co., Ltd.	Under same actual controller

Guangdong Rising Catering Services Co., Ltd.	Under same actual controller
Guangdong Rising Cultural Industry Development Co., Ltd.	Under same actual controller
Ramada Pearl Hotel Guangzhou	Under same actual controller
Guangzhou Changjian Property Management Co., Ltd.	Under same actual controller
PROSPERITY LAMPS & COMPONENTS LTD	Shareholder owning over 5% shares
Traxon Technologies Limited	Enterprise controlled by related natural person
Prosperity (China) Electrical Company Limited	Enterprise controlled by related natural person
Guangdong Rising Commercial Factoring Co., Ltd.	Under same actual controller
Guangdong Zhuyuan Construction Engineering Co., Ltd.	Under same actual controller
Shandong Zhongjin Lingnan Copper Co., Ltd.	Under same actual controller
Shantou Rising Infrastructure Construction Investment Co., Ltd.	Under same actual controller
Guangzhou Wanshun Investment Management Co., Ltd.	Under same actual controller
Nanning Ruixiang Industrial Investment Co., Ltd.	Enterprise significantly affected by related natural person
Guangdong Rising Finance Co., Ltd.	Under same actual controller
Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd.	Under same actual controller
Guangdong Zhongjin Lingnan Engineering Technology Co., Ltd.	Under same actual controller
Guangdong Huajian Engineering Construction Co., Ltd.	Under same actual controller
Guangdong Rising Research and Development Institute Co., Ltd.	Under same actual controller
Guangdong Semiconductor Device Factory	Under same actual controller

5. List of Related-party Transactions

(1) Information on Acquisition and Sales of Goods, Provision and Reception of Labor Service

Information on acquisition of goods and reception of labor service:

Unit: RMB

Related party	Content	H1 2026	The approval trade credit	Whether exceed trade credit or not	H1 2025
Guangdong Xintaochip Microelectronics Co., Ltd.	Purchase of materials	1,089,616.37	25,300,000.00	No	2,042,234.00
Guangdong Rising Holdings Group Co., Ltd.	Receiving labor service	640,167.24			1,333,182.30
Guangzhou Huajian Business Development Co., Ltd.	Receiving labor service	112,523.60			112,044.02
Guangzhou Haixinsha Industrial Co., Ltd.	Receiving labor service	23,485.32			1,373,791.75
Zhuhai Dongjiang Environmental Protection Technology Co., Ltd.	Receiving labor service	11,275.29			81,304.53
Guangdong Rising Commercial Factoring Co., Ltd.	Receiving labor service	8,342.75			
Shenzhen Longgang Dongjiang	Receiving labor service	4,069.03			22,058.15

Industrial Waste Treatment Co., Ltd.					
Zhuhai Doumen District Yongxingsheng Environmental Industry Waste Recovery and Comprehensive Treatment Co., Ltd.	Receiving labor service	3,584.91			7,907.50
Jiangmen Dongjiang Environmental Company Limited	Receiving labor service	2,751.87			2,169.81
Guangdong Rising Hydrogen Energy Co., Ltd.	Receiving labor service	1,177.54			81,637.17
Guangdong Xintaochip Microelectronics Co., Ltd.	Receiving labor service	982.30			
Shenzhen Yuepeng Construction Co., Ltd.	Receiving labor service				333,072.46
Foshan Fulong Environmental Technology Co., Ltd.	Receiving labor service				3,021.30
Shenzhen Yueding Precise Machinery Co., Ltd.	Purchase of materials	7,028,149.31	29,700,000.00	No	191,766.31
Guangdong Rising Digital Technology Co., Ltd.	Receiving labor service	3,302,471.33			
Primatronix Nanho Technology Ltd.	Receiving labor service	256,436.28			216,716.81
Guangdong Electronics Information Industry Group Ltd.	Purchase of materials	254,646.01			1,911.50
Guangdong Fenghua New Energy Co., Ltd.	Purchase of materials	49,439.10			
Shenzhen Yueding Precise Machinery Co., Ltd.	Receiving labor service	19,033.64			64,955.76
Guangdong Electronics Information Industry Group Ltd.	Receiving labor service				60,156.76
Guangdong	Receiving labor				57,430.97

Fenghua New Energy Co., Ltd.	service				
Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.	Purchase of materials	4,694,528.49	27,730,000.00	No	3,762,628.44
Guangdong Rising Catering Services Co., Ltd.	Receiving labor service	3,164,516.14	13,600,000.00	No	3,935,965.99
Guangdong Rising Urban Services Co., Ltd.	Receiving labor service	289,623.50			582,602.76
Guangdong Rising Cultural Industry Development Co., Ltd.	Receiving labor service	129,798.83			109,742.88
Guangdong Rising Cultural Industry Development Co., Ltd.	Purchase of materials	23,954.73			
Ramada Pearl Hotel Guangzhou	Receiving labor service	2,670.91			35,725.28
Guangzhou Changjian Property Management Co., Ltd.	Receiving labor service	2,338.02			
Guangdong Rising Commercial Development Co., Ltd.	Receiving labor service				38,879.99
PROSPERITY LAMPS & COMPONENTS LTD	Purchase of materials		1,000,000.00	No	40,604.45
Guangdong Zhongren Group Construction Co., Ltd.	Receiving labor service	17,632,116.35		No	18,348,623.85
Guangdong Huajian Enterprise Group Co., Ltd.	Receiving labor service	3,588,617.94		No	1,358,026.48
Guangdong Zhongnan Construction Co., Ltd.	Receiving labor service			No	49,179,363.76
Total		42,336,316.80	97,330,000.00	No	83,377,524.98

Information of sales of goods and provision of labor service:

Unit: RMB

Related party	Content	H1 2026	H1 2025
Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.	Sale of products	6,262,841.43	4,728,179.44

PROSPERITY LAMPS & COMPONENTS LTD	Sale of products	4,829,478.03	4,405,252.25
Primatronix Nanho Technology Ltd.	Sale of products	963,249.56	973,112.50
Guangdong Electronics Information Industry Group Ltd.	Sale of products	841,533.90	
Guangdong Xintaochip Microelectronics Co., Ltd.	Sale of products	233,964.27	411,591.87
Traxon Technologies Limited	Sale of products	112,130.29	2,298,878.91
Guangdong Rising Holdings Group Co., Ltd.	Sale of products	92,780.53	
Guangdong Rising Digital Technology Co., Ltd.	Sale of products	81,314.16	
Guangzhou Wanshun Investment Management Co., Ltd.	Sale of products	59,565.75	
Guangdong Yixin Changcheng Construction Group	Sale of products	29,502.11	
Guangdong Rising Catering Services Co., Ltd.	Sale of products	26,236.95	
Guangdong Rising Cultural Industry Development Co., Ltd.	Sale of products	6,675.56	
Prosperity (China) Electrical Company Limited	Sale of products	2,070.35	
Guangdong Zhuyuan Construction Engineering Co., Ltd.	Sale of products		31,156.00
Guangdong Zhongren Group Construction Co., Ltd.	Sale of products		2,953.27
Guangdong Huajian Enterprise Group Co., Ltd.	Providing labor services	5,963,302.78	
Guangdong Rising Catering Services Co., Ltd.	Providing labor services	119,700.25	
Guangdong Rising Cultural Industry Development Co., Ltd.	Providing labor services	6,625.09	
Guangdong Rising Holdings Group Co., Ltd.	Providing labor services	33.96	
Primatronix Nanho Technology Ltd.	Providing labor services		22,166.04
Total		19,631,004.97	12,873,290.28

Notes:

1) The pricing policy for related-party transactions between the Company and its related parties is as follows:

The pricing of related-party transactions should be market-oriented and subject to the market prices when such a transaction occurs. The relevant funds should be paid on time according to the actual transaction.

2) The related-party transactions between the Company and its subsidiaries and between subsidiaries have been offset during report consolidation.

(2) Information on Related-party Trusteeship/Contract

Lists of trusteeship/contract:

None.

Lists of entrust/contractee:

Unit: RMB

Name of the entruster/contractee	Name of the entrustee/ contractor	Type	Start date	Due date	Pricing basis	Charge recognized in this Reporting Period
Foshan NationStar Optoelectronics Co., Ltd.	Guangdong Zhongren Group Construction Co., Ltd.		December 30, 2020	December 31, 2022		
Foshan Kelian New Energy Technology Co., Ltd.	Guangdong Zhongnan Construction Co., Ltd.		June 23, 2021	December 23, 2022		
Foshan Kelian New Energy Technology Co., Ltd.	Guangdong Huajian Enterprise Group Co., Ltd.		January 1, 2025	December 31, 2034		

Notes:

1. The Company's subsidiary Foshan NationStar Optoelectronics Co., Ltd. entered into the General Contracting Contract of NationStar Optoelectronics for the Survey, Design, and Construction of the Geely Industrial Park with Guangdong Zhongren Group Construction Co., Ltd., Guangdong Architectural Design & Research Institute Co., Ltd., and CSIC International Engineering Co., Ltd. on December 30, 2020. The above parties take charge of the survey, design, and construction of the Geely Industrial Park. The total price of the contract is RMB509.2925 million. As at the end of the Reporting Period, the construction had been completed and accepted, but the final settlement had not yet been completed.

2. On June 23, 2021, the Company's subsidiary Foshan Kelian New Energy Technology Co., Ltd. signed a General Contract for Design and Construction of the Decoration Engineering of Kelian Building with Guangdong Zhongnan Construction Co., Ltd. and Guangdong Architectural Design & Research Institute Co., Ltd. The aforementioned companies were responsible for the interior design and construction of the building. The tentative total contract value was RMB189.0702 million, with a planned total construction period of 240 calendar days (Design period: 60 days; construction period: 210 days for Building 2 and 240 days for Building 1). To date, the project has been completed and accepted, and the final settlement is underway.

3. On April 21, 2023, the Company's subsidiary Foshan Kelian New Energy Technology Co., Ltd. signed the Kelian Building Operation and Leasing Service Contract and the Kelian Building Property Management Service Contract with Huajian Group. The industrial (R&D center) area (located in Building 1), commercial (service apartments), commercial (shops), and part of the underground parking lot, totaling 70,340.04 square meters, were entrusted to Huajian Group for operation and leasing. The operation and leasing service period is 10 years from January 1, 2025.

(3) Information on Related-party Lease

The Company was lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in the Reporting Period	The lease income confirmed in the same period of last year
Guangdong Rising Research and Development Institute Co., Ltd. and its majority-owned subsidiaries	Plant	192,198.66	746,120.71

The Company served as the lessee:

Unit: RMB

Name of lessor	Type of assets leased	Rental expenses of short-term lease simplified treated and low-value asset lease (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rent		Income expense of lease liabilities undertaken		Increased right-of-use assets	
		H1 2026	H1 2025	H1 2026	H1 2025	H1 2026	H1 2025	H1 2026	H1 2025	H1 2026	H1 2025
Guangdong Rising Commercial Development Co., Ltd.	Buildings and structures						31,706.00		13,312.48		1,057,213.99
Guangdong Rising Holdings Group Co., Ltd.	Buildings and structures					2,221,720.10	2,406,864.12	136,412.27	221,988.14		
Nanning Ruixiang	Buildings and structur		8,000.00				6,000.00				

Industrial Investment Co., Ltd.	es										

(4) Information on Related-party Guarantee

None.

(5) Information on Inter-bank Lending of Capital of Related Parties

None.

(6) Information on Assets Transfer and Debt Restructuring by Related Party

None.

(7) Information on Remuneration for Key Management Personnel

Unit: RMB

Item	H1 2026	H1 2025
Chairman of the Board	397,551.44	463,921.43
General Manager	380,147.40	446,431.33
Secretary of the Board	273,000.96	500,892.14
Chief Financial Officer	362,354.40	368,082.70
Others	2,383,754.84	4,023,167.19
Total	3,796,809.04	5,802,494.79

Note: Pursuant to the relevant provisions of the Company Law and the Articles of Association, the Company no longer established a supervisory committee. Consequently, the remuneration for key management personnel disclosed for the period excluded the remuneration for supervisors. To maintain comparability of the financial information, the remuneration for key management personnel disclosed for the prior period has been adjusted accordingly to exclude supervisors' remuneration, and only the remuneration for directors and senior management was presented.

(8) Other Related-party Transactions

In accordance with the new Financial Service Agreement signed by the Company in 2026, the maximum daily deposit balance of the Company and its majority-owned subsidiaries deposited in Guangdong Rising Finance Co., Ltd. shall not exceed RMB1.7 billion or its equivalent in other currencies, and the general credit limit provided by Guangdong Rising Finance Co., Ltd. for the Company and its majority-owned subsidiaries shall not exceed RMB2 billion or its equivalent in other currencies. As of June 30, 2026, the deposit balance of the Company and its subsidiaries deposited in Guangdong Rising Finance Co., Ltd. is RMB1,385,455,100. The undue interest receivable is RMB1,933,900.

6. Amounts Due from and to Related Parties

(1) Amounts Due from Related Parties

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Gross amount	Bad debt provision	Gross amount	Bad debt provision
Monetary capital-accrued interest	Guangdong Rising Finance Co., Ltd.	627,051.76		2,386,097.69	
Other current assets-accrued interest	Guangdong Rising Finance Co., Ltd.	1,306,859.13		36,821.92	
Notes receivable	Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.	7,235,887.11		50,050.43	
Accounts receivable	Guangdong Huajian Enterprise Group Co., Ltd.	6,824,881.73	204,746.45	1,364,775.80	40,943.27
Accounts receivable	Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.	3,066,982.28	61,339.65	4,085,558.46	81,711.17
Accounts receivable	Guangdong Yixin Changcheng Construction Group	2,049,187.54	1,158,378.06	2,057,688.05	952,097.39
Accounts receivable	Guangdong Zhongnan Construction Co., Ltd.	1,234,084.77	376,045.30	3,404,563.06	424,210.81
Accounts receivable	Guangdong Electronics Information Industry Group Ltd.	950,933.32	28,528.00		
Accounts receivable	Shantou Rising Infrastructure Construction Investment Co., Ltd.	746,660.40	74,666.04	746,660.40	74,666.04
Accounts receivable	Guangdong Zhuyuan Construction Engineering Co., Ltd.	510,276.71	153,083.01	510,276.71	153,083.01
Accounts receivable	Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd.	504,147.00	198,136.10	504,147.00	151,244.10
Accounts receivable	Guangdong Zhongjin Lingnan Engineering Technology Co., Ltd.	138,827.00	41,648.10	138,827.00	41,648.10
Accounts receivable	Traxon Technologies Limited	108,165.40	3,244.96	186,687.47	5,600.62
Accounts receivable	Guangdong Huajian Engineering Construction Co.,	44,297.00	44,297.00	44,297.00	44,297.00

	Ltd.				
Accounts receivable	Guangdong Xintaochip Microelectronics Co., Ltd.	3,358.39	67.17		
Accounts receivable	Guangdong Zhongren Group Construction Co., Ltd.	3,337.20	333.72	158,114.20	46,533.22
Accounts receivable	PROSPERITY LAMPS & COMPONENTS LTD			1,430,261.21	42,907.84
Accounts receivable	Shandong Zhongjin Lingnan Copper Co., Ltd.			10,286.00	1,028.60
Other receivables	Guangdong Huajian Enterprise Group Co., Ltd.	1,241,966.41	42,456.24	1,097,753.73	79,968.99
Other receivables	Guangdong Semiconductor Device Factory	816,441.49	816,441.49	816,441.49	816,441.49
Other receivables	Guangdong Rising Holdings Group Co., Ltd.	802,324.04	65,109.88	589,341.72	58,689.87
Other receivables	Guangdong Rising Catering Services Co., Ltd.	126,882.26	3,806.47		
Other receivables	Nanning Ruixiang Industrial Investment Co., Ltd.	5,000.00	2,500.00	5,000.00	1,500.00
Other receivables	Guangdong Rising Cultural Industry Development Co., Ltd.	1,228.02	36.84		
Other receivables	Guangdong Rising Urban Services Co., Ltd.	50.00	1.50	50.00	1.00
Prepayments	Guangdong Rising Holdings Group Co., Ltd.	108,000.00		1,526.84	
Prepayments	Prosperity (China) Electrical Company Limited	39,428.00		39,428.00	
Prepayments	Guangdong Rising Catering Services Co., Ltd.	5,000.00			
Prepayments	Guangdong Rising Urban Services Co., Ltd.			25,179.20	
Total		28,501,256.96	3,274,865.98	19,689,833.38	3,016,572.52

(2) Amounts Due to Related Parties

Unit: RMB

Item	Related party	Gross amount at period-end	Gross amount at period-beginning

Notes payable	Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.	5,247,925.61	4,762,313.67
Notes payable	Shenzhen Yueding Precise Machinery Co., Ltd.	1,857,450.49	567,107.38
Notes payable	Guangdong Electronics Information Industry Group Ltd.	399,325.00	300,000.00
Notes payable	Guangdong Xintaochip Microelectronics Co., Ltd.	230,974.40	375,707.77
Accounts payable	Guangdong Zhongren Group Construction Co., Ltd.	13,286,596.48	30,918,712.83
Accounts payable	Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.	6,019,994.76	6,577,618.93
Accounts payable	Shenzhen Yueding Precise Machinery Co., Ltd.	5,898,129.13	541,449.62
Accounts payable	Shenzhen Yuepeng Construction Co., Ltd.	1,381,887.30	1,381,887.30
Accounts payable	Guangdong Electronics Information Industry Group Ltd.	872,801.68	981,780.71
Accounts payable	Primatronix Nanho Technology Ltd.	292,200.50	2,427.50
Accounts payable	Guangdong Xintaochip Microelectronics Co., Ltd.	189,945.16	393,877.11
Accounts payable	Guangdong Fenghua New Energy Co., Ltd.	49,439.10	
Accounts payable	Guangdong Rising Catering Services Co., Ltd.	39,344.29	56,677.20
Accounts payable	Guangdong Rising Cultural Industry Development Co., Ltd.	33,600.42	41,732.52
Accounts payable	Guangzhou Haixinsha Industrial Co., Ltd.	5,870.00	
Accounts payable	Nanning Ruixiang Industrial Investment Co., Ltd.	2,000.00	2,000.00
Accounts payable	Shenzhen Longgang Dongjiang Industrial Waste Treatment Co., Ltd.		8,360.98
Accounts payable	Zhuhai Dongjiang Environmental Protection Technology Co., Ltd.		1,279.98
Other payables	Nanning Ruixiang Industrial Investment Co., Ltd.	55,046,577.48	67,046,577.48
Other payables	Guangdong Zhongnan Construction Co., Ltd.	34,923,374.73	53,974,917.16
Other payables	Guangdong Huajian Enterprise Group Co., Ltd.	7,680,123.45	4,593,253.20
Other payables	Guangdong Rising Holdings Group Co., Ltd.	558,369.56	8,002.41
Other payables	Guangdong Rising Catering Services Co., Ltd.	378,000.00	429,240.00
Other payables	Guangdong Rising Digital Technology Co., Ltd.	345,995.30	271,989.10
Other payables	Guangdong Xintaochip Microelectronics Co., Ltd.	87,882.13	182,140.00

Other payables	Shenzhen Yuepeng Construction Co., Ltd.	50,538.68	549,689.05
Other payables	Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.	35,015.07	35,015.07
Other payables	Primatronix Nanho Technology Ltd.	13,624.00	13,624.00
Other payables	Guangdong Electronics Information Industry Group Ltd.	5,000.00	5,000.00
Other payables	Shenzhen Yueding Precise Machinery Co., Ltd.	5,000.00	5,000.00
Other payables	Guangdong Rising Urban Services Co., Ltd.		25,179.20
Contract liabilities, other current liabilities	PROSPERITY LAMPS & COMPONENTS LTD	57,088.50	58,112.00
Contract liabilities, other current liabilities	Primatronix Nanho Technology Ltd.		170,449.52
Contract liabilities, other current liabilities	Guangdong Xintaochip Microelectronics Co., Ltd.		91,070.00
Other current liabilities	Nanning Ruixiang Industrial Investment Co., Ltd.	1,100,000.00	
Other current liabilities	Guangdong Zhongnan Construction Co., Ltd.	4,000,000.00	
Other current liabilities	Guangdong Fenghua Advanced Technology (Holding) Co., Ltd.		158,791.43
Total		140,094,073.22	174,530,983.12

7. Commitments of Related Parties

No.	Commitment	Promisor	Date of commitment making	Term of commitment	Fulfillment
1	About avoidance of horizontal competition	Electronics Group and Hong Kong Rising Investment	December 4, 2015	Long-term	Ongoing
		Rising Holdings Group	November 4, 2021	Long-term	Ongoing
		Rising Holdings Group, Rising Capital, and Hongkong Wah Shing	October 27, 2021	Long-term	Ongoing
2	About reduction and regulation of related-party transactions	Electronics Group and Hong Kong Rising Investment	December 4, 2015	Long-term	Ongoing
		Rising Holdings Group	November 4, 2021	Long-term	Ongoing
		Rising Holdings Group, Rising Capital, and Hongkong Wah Shing	October 27, 2021	Long-term	Ongoing
3	About independence	Electronics Group and Hong Kong Rising Investment	December 4, 2015	Long-term	Ongoing
		Rising Holdings Group	November 4, 2021	Long-term	Ongoing

4	About effective performance of measures to fill up returns	Rising Holdings Group, Rising Capital, Electronics Group, Hongkong Wah Shing, Hong Kong Rising Investment and Shenzhen Rising Investment	October 27, 2021	Long-term	Ongoing
5	About compensation for possible violations of laws and regulations by NATIONSTAR OPTOELECTRONICS	Rising Holdings Group, Electronics Group, and Rising Capital	October 27, 2021	Long-term	Ongoing
6	About the truthfulness, accuracy and completeness of the information provided during this major asset restructuring	Rising Holdings Group, Electronics Group, and Rising Capital	October 27, 2021	Long-term	Ongoing
		Director and senior management office of FSL	October 27, 2021	Long-term	Ongoing
7	About the clarity of the underlying assets of this major asset restructuring	Electronics Group	October 27, 2021	Long-term	Ongoing
		Rising Holdings Group and Rising Capital	October 27, 2021	Long-term	Ongoing
8	About measures to fill up returns for risks arising from diluting immediate return in major asset restructuring	Director and senior management office of FSL	October 27, 2021	Long-term	Ongoing
9	About the measures to fill up immediate returns diluted by the issuance of A-shares to specific objects in 2023	Director and senior management office of FSL	March 14, 2023	Long-term	Ongoing
10	About matters on special self-inspection of the real estate business	Directors and senior management of FSL, Rising Holdings Group, Electronics Group, Hongkong Wah Shing, Hong Kong Rising Investment	March 14, 2023	Long-term	Ongoing
11	About the effective fulfillment of measures taken by controlling shareholders and de facto controller to fill up immediate returns	Rising Holdings Group, Electronics Group, Hongkong Wah Shing, Hong Kong Rising Investment	March 14, 2023	Long-term	Ongoing

8. Other information

None.

XV Share-based Payment

None.

XVI Commitments and Contingencies

1. Significant Commitments

Significant commitments on the balance sheet date

Commitments of the development of Haikou plot

In November 2021, Hainan Technology, a wholly-owned subsidiary of the Company, acquired an industrial land located in Mei'an Science and Technology New City, Haikou, with a land area of 34,931.13 square meters and a land price of RMB26,596,784.43. In the same month, Hainan Technology signed the Agreement on Industrial Project Development and Land Access with Haikou National High-tech Industrial Development Zone Management Committee (hereinafter referred to as the "Haikou Development Zone Management Committee"). The agreement stipulates that the above-mentioned plot is used for the development of marine lighting R&D and manufacturing base projects, and the investment of fixed assets is approximately RMB314 million (including plants, equipment, and land, equivalent to RMB6 million per mu. Hainan Technology promises to complete the planning scheme design within two months from the date of signing the Confirmation of Listing and Transferring the Right to Use State-owned Construction Land; complete the construction drawing design within three months after completing the planning scheme design and obtain the Building Construction Permits and start construction at the same time (subject to the foundation concrete pouring of the main buildings).The project will be put into production within 18 months from the date of signing the Confirmation of Listing and Transferring the Right to Use State-owned Construction Land. From the date of signing the contract to the first year after the project is put into production, the accumulated tax payment is not less than RMB10 million; the accumulated tax payment in the first two years is not less than RMB27.4 million; the accumulated tax payment in the first three years is not less than RMB67.1 million; the accumulated tax payment in the first four years is not less than RMB117 million; the accumulated tax payment in the five years is not less than RMB203 million. The total industrial output value (or revenue) in the first year after the project is put into production is not less than RMB218 million; the accumulated value in the first two years is not less than RMB433 million; the accumulated value in the first three years is not less than RMB929 million; the accumulated value in the first four years is not less than RMB1.548 billion; the accumulated value in the five years is not less than RMB2.62 billion. If the project fails to start construction within 12 months from the date of signing the Confirmation of Listing and Transferring the Right to Use State-owned Construction Land due to Hainan Technology reasons, the Haikou Development Zone Management Committee has the right to unilaterally terminate the contract and the municipal government will recover the land use rights according to law; if the total amount of tax paid in the year after the project is put into production does not reach the total annual tax payment as agreed, Hainan Technology shall pay liquidated damages to the Haikou Development

Zone Management Committee according to the difference; if Hainan Technology has idle land not due to government reasons and force majeure, the municipal government shall collect idle land fees or recover the right to use state-owned construction land. As at the date of this report, the first phase of the Hainan Industrial Park has been completed and put into production.

2. Contingencies

(1) Significant Contingency on Balance Sheet Date

1) Litigation between the Company and Industrial and Commercial Bank of China, Foshan Branch

In April 2023, the Company engaged in foreign exchange options business with Industrial and Commercial Bank of China Limited, Foshan Branch (hereinafter referred to as “ICBC Foshan”). A dispute arose due to transaction differences, and as per the agreement, ICBC Foshan was required to compensate for a difference of RMB15.8834 million. In April 2025, the Company filed a lawsuit with the People’s Court of Chancheng District, Foshan. The case was heard in the first instance in June 2025. In November 2025, the Company received the first-instance judgment, which ordered ICBC Foshan to compensate the Company for its loss of RMB15.8834 million plus interest. In November 2025, the Company received the notice of appeal filed by ICBC Foshan. The second-instance hearing was originally scheduled for January 2026, but ICBC Foshan applied to the court for an adjournment and entered into a settlement. In April 2026, the Company received compensation of RMB4.95 million from ICBC Foshan. As at the date of this report, this matter is still being dealt with.

2) Litigation between the Company and Guangdong Huadeng Law Firm

In September 2017, the Company entered into a legal service agency agreement with Guangdong Huadeng Law Firm (hereinafter referred to as “Huadeng Law Firm”), under which Huadeng Law Firm agreed to represent the Company in the first-instance and second-instance trials and enforcement proceedings relating to the dispute arising from the sales contract with the distributor Beijing Zhongao Zhengshi Lighting Electrical Appliances Co., Ltd. (hereinafter referred to as “Beijing Zhongao Company”) and Jiang Zhenghao, and to pay legal fees of RMB0.109 million. In September 2017, the Chancheng District People’s Court rendered the first-instance judgment, ordering Beijing Zhongao Company to pay RMB14.2208 million plus liquidated damages, with Jiang Zhenghao bearing joint and several liability. In May 2018, Beijing Zhongao Company and Jiang Zhenghao filed an appeal. In July 2018, the Foshan Intermediate People’s Court accepted the case for filing, and in October 2021, it rendered the second-instance judgment, ordering Beijing Zhongao Company to pay the principal of RMB11.2208 million plus liquidated damages, with Jiang Zhenghao bearing joint and several liability. In December 2021, the Company applied to the court for enforcement. In the process of asset preservation, due to a material dereliction of duty on the part of the lawyers, two of Jiang Zhenghao's properties were not promptly reapplied for sealing upon the expiry of the sealing period, enabling Jiang Zhenghao to transfer such assets (with an estimated value of approximately RMB11.85 million), which ultimately prevented the Company from recovering the outstanding debts. In February 2022, the Company terminated its engagement with Huadeng Law Firm. In June 2024, the Company sent a letter to Huadeng Law Firm requesting an explanation for its failure to promptly apply for a renewal of the seal on Jiang Zhenghao's properties. However, to date, no feedback has been received from Huadeng Law Firm. In June 2025, the Company filed a lawsuit with the Chancheng District People's Court in Foshan, seeking a judgment ordering Huadeng Law Firm to compensate for the losses of RMB11.35 million arising from its failure to timely renew the sealing, together with interest on the overdue compensation. In August 2025, the court served the Notice of Asset Preservation stating that RMB1.3 million of Huadeng Law Firm's funds had been frozen. In September 2025, the first-instance hearing of this case was held. In April 2026, the court delivered the first- instance judgment, ordering Huadeng Law Firm to compensate the Company for its losses of RMB0.5 million, refund legal fees of RMB10,000, with its partners bearing joint and several liability. On May 19, 2026, the Company filed an appeal and the appeal was accepted for filing; on May 22, 2026, Huadeng Law Firm also filed an appeal. In July 2026, the court completed the renewal of the freeze order, increasing the frozen amount in Huadeng Law Firm's bank account to RMB2.26 million. As at the date of this report, the case is awaiting the scheduling of the second- instance hearing by the court.

3) Legal proceeding between the Company and China Construction Fourth Engineering Division Installation Engineering Co., Ltd.

China Construction Fourth Engineering Division Installation Engineering Co., Ltd. (hereinafter referred to as "CSCEC Fourth Bureau"), a customer of the Company, is involved in a sales contract dispute with the Company. The Company filed for arbitration with the Guangzhou Arbitration Commission, with a total subject-matter amount of RMB18.4201 million. The two parties entered into a Settlement Agreement in December 2024, under which part of the indebtedness was settled by transfer of five residential properties, and the remaining outstanding indebtedness was to be settled by cash and commercial acceptance bills. The Company received cash repayment of RMB0.50 million from CSCEC Fourth Bureau in April 2025. Online filing and record-filing for the five properties were completed in July 2025. Nevertheless, CSCEC Fourth Bureau failed to pay the remaining cash and commercial acceptance bills in accordance with the Settlement Agreement. In July 2025, the Company applied to the court for continued asset seizure over the bank accounts of CSCEC Fourth Bureau. The court advised that funds totaling RMB20.2943 million in such bank accounts had been fully seized. Hearings for the case were held in October and November 2025. In March 2026, the Company received an arbitral award for one of the cases, ordering CSCEC Fourth Bureau to pay the Company overdue trade receivables of RMB9.9893 million plus losses arising from delayed payment. In May 2026, the Company received the arbitral award for the other case, ordering CSCEC Fourth Bureau to pay the Company overdue trade receivables of RMB0.3044 million plus losses arising from delayed payment. Claims for receivables to be settled via property-in-kind settlement were not upheld in the arbitral awards. The Company instituted separate litigation in May 2026 in respect of such portion. As of the date of this Report, the court has not yet accepted the case.

(2) In Despite of no Significant Contingency to Disclose, the Company Shall Also Make Relevant Statements

There was no significant contingency in the Company.

3. Other information

(1) As of June 30, 2026, the guarantee of Liaowang Auto Lamp and its subsidiaries was as follows (RMB'0,000):

No.	Principal debtor	Principal debtee (Lender)	Guarantor	Type of guarantee	Guarantee amount	Guarantee balance
1	Chongqing Guinuo Lighting Technology Co., Ltd. (note 1)	Chongqing Branch of Industrial Bank	Chongqing Guinuo Lighting Technology Co., Ltd.	Mortgage	7,000.00	1,959.57
	Total	——	——	——	7,000.00	1,959.57

Note 1: Chongqing Guinuo and Chongqing Branch of Industrial Bank entered into the Fixed Asset Loan Contract (X.Y.Y.K.G.G.N.G. No. 2025001), with the contract amount being RMB24 million (from October 10, 2025 to October 9, 2028). As at June 30, 2026, RMB19.5957 million had been used. Chongqing Guinuo and Chongqing Branch of Industrial Bank entered into the Maximum Mortgage Contract (X.Y.Y.K.G.G.N.D. No. 2025001). Chongqing Guinuo provides mortgage guarantee with the immovable property owned as collateral, and the balance of its creditor's rights does not exceed the maximum mortgage principal of RMB120 million. The mortgage amount is valid from June 23, 2025 to June 22, 2027 and the guarantee amount is RMB70 million.

The mortgaged properties are a) Y. (2020) L.J.X.Q.B.D.C.Q. No.000436821, b) Y. (2020) L.J.X.Q.B.D.C.Q. No.000437330, c) Y. (2020) L.J.X.Q.B.D.C.Q. No.000437429 and d) Y. (2020) L.J.X.Q.B.D.C.Q. No.000437448.

(2) As of June 30, 2026, the guarantee of Hule Electrical was as follows (RMB'0,000):

No.	Principal debtor	Principal debtee (Lender)	Guarantor	Type of guarantee	Guarantee amount	Guarantee balance
1	Zhejiang Hule Electrical Equipment Manufacturing Co., Ltd.	Agricultural Bank of China Limited, Jiaxing Nanhu Sub-branch	Zhejiang Hule Electrical Equipment Manufacturing Co., Ltd.	Mortgaged	2,000.00	1,968.14
	Total	——	——	——	2,000.00	1,968.14

Note 1: Hule Electrical entered into Maximum Mortgage Contract (No. 33100620230099053) with Jiaxing Nanhu Sub-branch of the Agricultural Bank of China. Under the contract, Hule Electrical pledged its real estate assets as collateral to secure debts, with the maximum secured principal not exceeding RMB31.18 million. The guaranteed amount is RMB20 million. The mortgage contract is valid from August 21, 2023 to August 20, 2028. The mortgaged properties are: a) Property Ownership Certificate No. 00479600, Nanhu District, Jiaxing; b) Property Ownership Certificate No. 00479599, Nanhu District, Jiaxing.

XVII Events after Balance Sheet Date

1. Significant Non-adjusted Events

None.

2. Distribution of Profit

None.

3. Sales Return

None.

4. Notes to Other Events after Balance Sheet Date

(1) Subscription for A-shares issued by the majority-owned subsidiary, NationStar Optoelectronics, in 2025 to specific subjects

The Company's majority-owned subsidiary, Foshan NationStar Optoelectronics Co., Ltd. (stock name: NationStar Optoelectronics, stock code: 002449), plans to issue no more than 185,543,150 A-shares (inclusive) to specific subjects, raising a total of no more than RMB970.1239 million (inclusive). The Company plans to use its own funds (excluding the raised funds) to subscribe to the A-shares issued by NationStar Optoelectronics to specific subjects, with an investment amount of RMB116 million (The final number of shares to be subscribed by the Company will be determined based on the actual placing price of NationStar Optoelectronics). The Company signed a Share Subscription Agreement with conditions for effectiveness and issued related commitments. On May 14, 2026, NationStar Optoelectronics' application for the issuance of shares to specific subjects received the registration approval from the China Securities Regulatory Commission (CSRC).

XVIII Other Significant Events

1. The Accounting Errors Correction in Previous Period

None.

2. Debt Restructuring

No such cases in the Reporting Period.

3. Assets Replacement

None.

4. Pension Plans

In accordance with provisions of Measures for Enterprise Annuity (RSBL No. 36), Measures for Managing Enterprise Annuity Fund (RSBL No. 11) and other policies, the Company has formulated the Enterprise Annuity Plan of Foshan Electrical and Lighting Co., Ltd. (hereinafter referred to as the "Plan").

The Plan adopts the corporate trusteeship mode. The collected enterprise annuity fund will be managed by the trustee entrusted by Foshan Electrical and Lighting Co., Ltd. with the Enterprise Annuity Fund Trusteeship Contract. And the trustee of the enterprise annuity fund will entrust eligible custodians, account managers and investment managers to provide unified related services. The expenses required shall be jointly borne by the Company and the employees. The payment channels of the Company shall be implemented according to relevant regulations of the state, and the part that shall be paid by employees themselves will be withheld and paid by the Company from their salaries.

The Plan has been filed at Chancheng District Human Resources and Social Security Bureau of Foshan City and implemented since June 1, 2022. The management of the enterprise annuity fund is subject to the supervision and inspection of relevant state departments.

5. Discontinued Operations

None.

6. Segment Information

(1) Determination Basis and Accounting Policies of Reportable Segment

With the deployment of the Company's strategic management and the expansion of business segments, operating segments shall be determined based on the requirements of regulatory laws and regulations, company management, etc., which are as follows:

1) General Lighting, Automotive Lamps Products Segment: Research and development, manufacturing and sales of General Lighting, Automotive Lamps Products

2) LED Packaging and Components, Other Products Segment: Research and development, manufacturing and sales of LED packaging and components, and other products.

Inter-segment transfer prices are determined with reference to the prices used for sales to third parties, while assets, liabilities and expenses are determined based on the financial data of each segment.

(2) The Financial Information of Reportable Segment

Unit: RMB

Item	General lighting and vehicle lamp products	LED packaging and component products and other products	Offset among segments	Total
I. Operating revenue	2,793,843,014.07	1,347,995,268.46	-46,733,512.10	4,095,104,770.43
II. Cost of sales	2,250,180,023.38	1,195,303,483.85	-46,397,037.51	3,399,086,469.72
III. Income from investments to joint ventures and associates	691,170.38			691,170.38
IV. Credit impairment loss	-4,776,927.55	759,825.53	92,574.38	-3,924,527.64
V. Asset impairment loss	-17,406,113.84	-22,478,856.17		-39,884,970.01
VI. Depreciation and amortization cost	173,265,832.15	170,269,536.62	-381,130.00	343,154,238.77
VII. Total profits	72,826,717.04	-50,148,255.91	166,539.33	22,845,000.46
VIII. Income tax expense	17,803,718.24	-1,535,522.19	-47,774.51	16,220,421.54
IX. Net profits	55,022,998.80	-48,612,733.72	214,313.84	6,624,578.92
X. Total assets	11,990,932,817.89	5,691,819,255.15	-1,072,578,779.77	16,610,173,293.27
XI. Total liabilities	4,410,263,454.95	1,933,359,681.56	-86,732,415.01	6,256,890,721.50

(3) If there Was no Reportable Segment, or the Total Amount of Assets and Liabilities of Each Reportable Segment Could not Be Reported, Relevant Reasons Shall Be Clearly Stated

None.

(4) Other notes

None.

7. Other Significant Transactions and Events with Influence on Investors' Decision-making

None.

8. Other Information

None.

XIX Notes to Main Items in the Financial Statements of the Parent Company

1. Accounts Receivable

(1) Disclosure by Aging

Unit: RMB

Aging	Gross amount at period-end	Gross amount at period-beginning
Within 1 year (including 1 year)	639,143,354.11	637,329,945.58
1 to 2 years	44,130,343.66	55,418,635.10
2 to 3 years	51,017,590.68	62,178,052.67
Over 3 years	116,497,745.71	108,920,845.81
3 to 4 years	52,843,984.78	43,523,314.61
4 to 5 years	36,428,736.04	49,248,803.98
Over 5 years	27,225,024.89	16,148,727.22
Total	850,789,034.16	863,847,479.16

(2) Disclosure by the Bad Debt Provision Method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Accounts receivable with bad debt provision on an individual basis	62,220,387.16	7.31%	46,070,387.10	74.04%	16,150,000.06	79,952,656.18	9.26%	50,665,431.63	63.37%	29,287,224.55
Accounts receivable with bad debt provision on a portfolio basis	788,568,647.00	92.69%	59,378,544.09	7.53%	729,190,102.91	783,894,822.98	90.74%	56,055,458.54	7.15%	727,839,364.44

Of which:										
Business portfolio of general lighting and auto lamps	655,561,807.76	77.06%	59,378,544.09	9.06%	596,183,263.67	641,634,635.50	74.27%	56,055,458.54	8.74%	585,579,176.96
Internal business portfolio	133,006,839.24	15.63%			133,006,839.24	142,260,187.48	16.47%			142,260,187.48
Total	850,789,034.16	100.00%	105,448,931.19	12.39%	745,340,102.97	863,847,479.16	100.00%	106,720,890.17	12.35%	757,126,588.99

Category name of bad debt provision on an individual basis: Accounts receivable with bad debt provision on an individual basis.

Unit: RMB

Name	Opening balance		Closing balance			
	Gross amount	Bad debt provision	Gross amount	Bad debt provision	Provision percentage (%)	Basis for provision
Customer A	11,187,337.20	11,187,337.20	11,187,337.20	11,187,337.20	100.00%	Involved in litigation; recovery is deemed unlikely.
Customer B	11,757,964.98	11,757,964.98	11,684,580.13	11,684,580.13	100.00%	Listed as a judgment debtor and is subject to consumption restrictions; recovery is deemed unlikely.
Total	22,945,302.18	22,945,302.18	22,871,917.33	22,871,917.33		

Category names of bad debt provision on a portfolio basis: Business portfolio of general lighting and auto lamps, Internal business portfolio.

Unit: RMB

Name	Closing balance		
	Gross amount	Bad debt provision	Provision percentage (%)
Business portfolio of general lighting and auto lamps	655,561,807.76	59,378,544.09	9.06%
Internal business portfolio	133,006,839.24		
Total	788,568,647.00	59,378,544.09	

A description of the basis for determining the portfolio:

See Note V-13. Accounts Receivable.

If bad debt provision for accounts receivable is provided for under the general model of expected credit losses:

□ Applicable ☑ Not applicable

(3) Bad Debt Provision Provided for, Recovered or Reversed during the Period

Bad debt provision during the period:

Unit: RMB

Category	Opening balance	Changes for the period					Closing balance
		Provision	Reversal of write-offs from prior periods	Recovery or reversal	Write-off	Others	
Accounts receivable with bad debt provision on an individual basis	50,665,431.63	-1,233,166.98		870,674.29	2,491,203.26		46,070,387.10
Accounts receivable with bad debt provision on a portfolio basis	56,055,458.54	3,364,769.14			41,683.59		59,378,544.09
Total	106,720,890.17	2,131,602.16		870,674.29	2,532,886.85		105,448,931.19

Of which, bad debt provision with a significant recovered or reversed amount during the period: Not applicable

(4) Accounts Receivable Written off during the Period

Unit: RMB

Item	Amount written off
Accounts receivable written off	2,532,886.85

Of which, significant accounts receivable written off: None.

Notes to the write-off:

RMB2,532,886.85 of accounts receivable has been written off with the bad debt provision of RMB2,532,886.85, and the approval procedures have been performed in accordance with the Company's bad debt management system.

(5) Top 5 Balances of Accounts Receivable and Contract Assets by Debtor as at the End of the Period

Unit: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets	Closing balance of bad debt provision for accounts receivable and impairment provision for contract assets
No. 1	88,490,921.52		88,490,921.52	10.39%	2,654,727.65
No. 2	52,036,388.88		52,036,388.88	6.11%	1,561,091.67

No. 3	48,747,090.86		48,747,090.86	5.72%	
No. 4	37,844,025.87		37,844,025.87	4.44%	10,409,064.12
No. 5	25,218,927.98		25,218,927.98	2.96%	
Total	252,337,355.11		252,337,355.11	29.62%	14,624,883.44

2. Other Receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	916,781,984.89	1,044,883,403.20
Total	916,781,984.89	1,044,883,403.20

(1) Interest Receivable

None.

(2) Dividend Receivable

None.

(3) Other Receivables

1) Other Receivables Disclosed by Category of Nature

Unit: RMB

Nature	Gross amount at period-end	Gross amount at period-beginning
Other transactions	905,272,439.70	1,022,966,230.59
Value-added tax (VAT) export rebates	7,578,848.42	20,284,110.73
Performance guarantee deposits	5,081,598.00	4,133,876.49
Rent and utilities	2,793,414.91	2,216,607.00
Employee loans and petty cash	443,648.38	452,430.54
Total	921,169,949.41	1,050,053,255.35

2) Disclosure by Aging

Unit: RMB

Aging	Gross amount at period-end	Gross amount at period-beginning
Within 1 year (including 1 year)	205,191,647.50	219,910,886.64
1 to 2 years	141,370,761.69	304,579,104.44
2 to 3 years	120,229,094.66	109,175,173.42
Over 3 years	454,378,445.56	416,388,090.85
3 to 4 years	48,710,591.42	36,656,010.56
4 to 5 years	403,967,565.27	378,194,458.29
Over 5 years	1,700,288.87	1,537,622.00
Total	921,169,949.41	1,050,053,255.35

3) Disclosure by the Bad Debt Provision Method

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision on an individual basis	10,933,375.00	1.19%	328,001.25	3.00%	10,605,373.75	30,302,889.95	2.89%	909,086.70	3.00%	29,393,803.25
Bad debt provision on a portfolio basis	910,236,574.41	98.81%	4,059,963.27	0.45%	906,176,611.14	1,019,750,365.40	97.11%	4,260,765.45	0.42%	1,015,489,599.95
Of which:										
Deposits and guarantees	5,081,598.00	0.55%	1,815,159.72	35.72%	3,266,438.28	4,133,876.49	0.39%	1,630,514.50	39.44%	2,503,361.99
Amounts due from/to related parties	888,092,122.48	96.41%	67,143.98	0.01%	888,024,978.50	980,829,697.47	93.41%	60,030.04	0.01%	980,769,667.43
Advances and others	17,062,853.93	1.85%	2,177,659.57	12.76%	14,885,194.36	34,786,791.44	3.31%	2,570,220.91	7.39%	32,216,570.53
Total	921,169,949.41	100.00%	4,387,964.52	0.48%	916,781,984.89	1,050,053,255.35	100.00%	5,169,852.15	0.49%	1,044,883,403.20

Category name of bad debt provision on an individual basis: Bad debt provision on an individual basis.

No significant accounts receivable with bad debt provision on an individual basis during the period and the prior period.

Category names of bad debt provision on a portfolio basis: Deposits and guarantees, Amounts due from/to related parties, Advances and others.

Unit: RMB

Name	Closing balance		
	Gross amount	Bad debt provision	Provision percentage (%)
Deposits and guarantees	5,081,598.00	1,815,159.72	35.72%
Amounts due from/to related parties	888,092,122.48	67,143.98	0.01%
Advances	17,062,853.93	2,177,659.57	12.76%
Total	910,236,574.41	4,059,963.27	

A description of the basis for determining the portfolio:

See Note V-13. Accounts Receivable.

Bad debt provision provided for under the general model of expected credit losses:

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit losses (not credit-impaired)	Lifetime expected credit losses (credit-impaired)	
Balance as at January 1, 2026	1,020,609.32	3,240,156.13	909,086.70	5,169,852.15
Balance as at January 1, 2026 in the period				
Provided for during the period	-522,986.90	322,184.72	-581,085.45	-781,887.63
Balance as at June 30, 2026	497,622.42	3,562,340.85	328,001.25	4,387,964.52

Basis for classification into stages and provision rates of bad debt provision

See Note V-13. Accounts Receivable.

Explanation of material changes in gross amount arising from movements in loss allowance during the period

□ Applicable ☑ Not applicable

4) Bad Debt Provision Provided for, Recovered or Reversed during the Period

Bad debt provision during the period:

Unit: RMB

Category	Opening balance	Changes for the period				Closing balance
		Provision	Recovery or reversal	Charge-off/write-off	Others	
Other receivables	5,169,852.15	-781,887.63				4,387,964.52
Total	5,169,852.15	-781,887.63				4,387,964.52

Of which, bad debt provision with a significant recovered or reversed amount during the period: Not applicable

5) Other Receivables Written off during the Period

None.

6) Top 5 Balances of Other Receivables by Debtor as at the End of the Period

Unit: RMB

Name of the entity	Nature	Closing balance	Aging	Proportion to total closing balance of other receivables %	Closing balance of bad debt provision
Foshan Kelian New Energy Technology Co., Ltd.	Internal group	506,529,231.54	Within 5 years	54.99%	

Fozhao (Hainan) Technology Co., Ltd.	Internal group	217,045,299.06	Within 3 years	23.56%	
FSL Chanchang Lighting Co., Ltd.	Internal group	159,960,314.44	Within 3 years	17.36%	
Industrial and Commercial Bank of China, Foshan Branch	Other transactions	10,933,375.00	Within 3 years	1.19%	328,001.25
Guangdong Provincial Tax Service, State Taxation Administration	Value-added tax (VAT) export rebates	7,578,848.42	Within 1 year	0.82%	227,365.45
Total		902,047,068.46		97.92%	555,366.70

7) Other receivables Presented due to Centralized Management of Funds

None.

3. Long-term Equity Investment

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Bad debt provision	Carrying amount	Gross amount	Bad debt provision	Carrying amount
Investment to subsidiaries	2,428,772,025.91	169,209,359.79	2,259,562,666.12	2,428,772,025.91	169,209,359.79	2,259,562,666.12
Investment to joint ventures and associated enterprises	185,497,823.30		185,497,823.30	184,806,652.92		184,806,652.92
Total	2,614,269,849.21	169,209,359.79	2,445,060,489.42	2,613,578,678.83	169,209,359.79	2,444,369,319.04

(1) Investment to Subsidiaries

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of impairment provision	Changes for the period				Closing balance (carrying amount)	Closing balance of impairment provision
			Additional investment	Reduced investment	Impairment provision	Others		
Foshan NationStar Optoelectronics Co., Ltd.	1,042,880,886.15	169,209,359.79					1,042,880,886.15	169,209,359.79
Nanning Liaowang Auto Lamp Co., Ltd.	493,880,163.76						493,880,163.76	
Fozhao (Hainan) Technology Co., Ltd.	200,000,000.00						200,000,000.00	

Foshan Kelian New Energy Technology Co., Ltd.	170,000,000.00						170,000,000.00	
FSL Chanchang Lighting Co., Ltd.	82,507,350.00						82,507,350.00	
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	72,000,000.00						72,000,000.00	
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	35,418,439.76						35,418,439.76	
FSL Zhida Electric Technology Co., Ltd.	25,500,000.00						25,500,000.00	
Guangdong Fozhao Optoelectronics Co., Ltd.	41,601,600.00						41,601,600.00	
Foshan Fozhao Zhicheng Technology Co., Ltd.	50,000,000.00						50,000,000.00	
Foshan Taimei Times Lamp Co., Ltd.	350,000.00						350,000.00	
Fozhao Huaguang (Maoming) Technology Co., Ltd.	22,920,000.00						22,920,000.00	
Foshan Sigma Venture Capital Co., Ltd.	4,226.45						4,226.45	
Guangdong Airtrust Aviation Equipment Co., Ltd.	22,500,000.00						22,500,000.00	

Total	2,259,562,666.12	169,209,359.79					2,259,562,666.12	169,209,359.79

(2) Investment to Joint Ventures and Associated Enterprises

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of impairment provision	Changes for the period								Closing balance (carrying amount)	Closing balance of impairment provision
			Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Impairment provision	Others		
I. Joint ventures												
II. Associated enterprises												
Primatronix (Nanho) Electronics Ltd.	184,806,652.92				691,170.38						185,497,823.30	
Subtotal	184,806,652.92				691,170.38						185,497,823.30	
Total	184,806,652.92				691,170.38						185,497,823.30	

The recoverable amount is determined based on fair value less costs of disposal

□ Applicable ☑ Not applicable

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

□ Applicable ☑ Not applicable

Reasons for significant inconsistency between the above-mentioned information and the information adopted in the impairment tests in the prior year or external information

None.

Reasons for significant inconsistency between the information adopted in the impairment tests in the prior year and the actual situation in the year

None.

(3) Other Notes

None.

4. Operating Revenue and Cost of Sales

Unit: RMB

Item	H1 2026		H1 2025	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	1,325,725,235.66	1,078,392,808.16	1,340,130,009.75	1,070,064,893.17
Other operations	53,771,464.98	51,545,863.92	35,583,654.94	28,872,339.12
Total	1,379,496,700.64	1,129,938,672.08	1,375,713,664.69	1,098,937,232.29

Breakdown of Operating Revenue and Cost of Sales:

Unit: RMB

Type of contract	Total	
	Operating revenue	Cost of sales
Type of business		
Of which:		
General lighting products	1,153,047,391.23	927,887,802.79
Auto lamps products	123,914,794.18	106,010,433.55
Trade and other products	102,534,515.23	96,040,435.74
Total	1,379,496,700.64	1,129,938,672.08

5. Investment Income

Unit: RMB

Item	H1 2026	H1 2025
Income from long-term equity investments accounted for using the cost method	2,005,200.00	7,386,452.51
Income from long-term equity investments accounted for using the equity method	691,170.38	646,719.77
Investment income from disposal of trading financial assets	745,950.00	215,850.00
Dividend income from other equity investments during the holding period	6,309,436.65	9,249,795.26
Interest income from other debt investments during the holding period	10,871,374.81	14,067,520.92
Gains on debt restructuring	2,612,485.05	
Income from wealth management investments and structured deposits	2,306,570.88	
Total	25,542,187.77	31,566,338.46

6. Other information

None.

XX Supplementary Information

1. Exceptional Gains and Losses

☑ Applicable □ Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets	2,841,505.89	
Government grants recognized in profit or loss (exclusive of those that are closely related to the Company’s normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company’s profit or loss)	20,048,181.03	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company’s normal business operations)	-1,110,934.78	
Capital occupation charges on non-financial enterprises that are recorded into current profit or loss	640,302.04	
Reverse of provision for impairment of accounts receivable individually conducting impairment test	1,000,558.75	
Gain or loss on debt restructuring	2,612,485.05	
Other non-operating income and expenses other than the above	8,876,356.86	
Less: Income tax effects	5,464,207.93	
Non-controlling interests effects (after-tax)	10,992,954.33	
Total	18,451,292.58	--

Details of other items that meet the definition of exceptional gain/loss:

□ Applicable ☑ Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

□ Applicable ☑ Not applicable

2. Return on Equity and Earnings Per Share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (RMB/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	0.61%	0.0272	0.0272
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	0.34%	0.0151	0.0151

3. Differences between Accounting Data under Domestic and Overseas Accounting Standards

(1) Differences of Net Profit and Net Assets Disclosed in Financial Reports Prepared under International and Chinese Accounting Standards

□ Applicable ☑ Not applicable

(2) Differences of Net profit and Net assets Disclosed in Financial Reports Prepared under Overseas and Chinese Accounting Standards

□ Applicable ☑ Not applicable

(3) Explain Reasons for the Differences between Accounting Data under Domestic and Overseas Accounting Standards; for any Adjustment Made to the Difference Existing in the Data Audited by the Foreign Auditing Agent, Such Foreign Auditing Agent's Name Shall Be Clearly Stated

□ Applicable ☑ Not applicable

4. Other Information

None.

Yu Zhongmin, legal representative

Foshan Electrical and Lighting Co., Ltd.

August 21, 2026