

# Auditor's Report

---

**China Fangda Group Co., Ltd.**

**RSM [2026] No.510Z0221**

**RSM China (Special General Partnership)**

**China · Beijing**

## Table of Contents

<u>No.</u>	<u>Content:</u>	<u>Page number</u>
1	Auditor's Report	1-7
2	Consolidated Balance Sheet	1
3	Consolidated Income Statement	2
4	Consolidated Cash Flow Statement	3
5	Statement of Change in Owners' Equity	4 - 5
6	Balance Sheet of the Parent Company	6
7	Income Statement of the Parent Company	7
8	Cash Flow Statement of the Parent Company	8
9	Statement of Change in Owners' Equity (Parent Company)	9 - 10
10	Notes to Financial Statements	11 - 142

## Auditors' Report

RSM [2026] No.510Z0221

To the shareholders of China Fangda Group Co., Ltd.:

### 1. Auditors' Opinions

We have audited the financial statements of Fangda Group Co., Ltd. (hereinafter referred to as Fangda group company), including the consolidated and parent company's balance sheet as of December 31, 2025, the consolidated and parent company's income statement, consolidated and parent company's cash flow statement, consolidated and parent company's statement of changes in owner's equity and notes to relevant financial statements in 2025.

We believe that Fangda Group has been following with the Enterprise Accounting Standard in preparing of the Financial Statements. The Financial Statements is reflecting, in all important aspects, the financial situation of Fangda Group as of December 31, 2025, and the business performance and cash flow of year 2025.

### 2. Basis of the Opinions

We carried out the auditing works with compliance to Chinese CPA Auditing Standard, The "CPA's Responsibility for Auditing Financial Statements" section of the audit report further elaborated our responsibilities under these guidelines. In accordance with the Code of Professional Ethics for Chinese Certified Public Accountants and the Independence Standards for Chinese Certified Public Accountants, we are independent of China Fangda Group Co., Ltd. and have complied with the provisions of the independence standards applicable to audits of financial statements of public interest entities, while fulfilling our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a

basis for our audit opinion.

### **3. Key Audit Matters**

The key audit matters are the matters that we believe are most important for the audit of the current financial statements based on professional judgment. The response to these matters is based on the overall audit of the financial statements and the formation of an audit opinion. We do not comment on these matters separately.

#### **(I) Income recognition**

For related information disclosure, please refer to Note III, 26, Note V, 43 and Note XV, 2 of the financial statements.

##### **1. Description**

In 2025, the operating revenue of Fangda Group is RMB3.377 billion, of which the revenue of curtain wall and metro platform screen door accounts for 93.76% of the total revenue of the Group.

Fangda Group's performance obligations related to the construction subcontracting contract include building curtain wall and metro platform screen door. As the customer can control the commodity under construction in the process of performance of Fangda group, the Company regards it as the performance obligation within a certain period of time, and recognizes the revenue according to the performance progress. The Company shall determine the performance schedule of services according to the input method. The performance schedule shall be determined according to the proportion of the actual contract cost to the estimated total contract cost. Management needs to make a reasonable estimate of the initial total contract revenue and total contract costs for the Engineering contracting contract and continue to assess and revise it during the contract implementation process, which involves significant accounting estimates of the management.

Therefore, we identify revenue recognition related to construction contracts as key audit matters.

## 2. Audit response

Our audit procedures for revenue recognition related to construction subcontracting contracts mainly include:

(1) Understand and evaluate the design of internal control related to management contract and engineering subcontracting contract budget and revenue recognition, and test the effectiveness of key control implementation.

(2) Obtained a major engineering subcontracting contract, verified the contract revenue, and reviewed key contract terms. Check the engineering contracting contract and cost budget information on which management expects total revenue and estimated total cost.

(3) Obtain the construction subcontracting contract account and project revenue and cost summary table, carry out analytical review on the gross profit of the project, and recalculate the performance progress and revenue in the construction subcontracting contract account to verify its accuracy.

(4) Select samples to check the project engineering details of the main project, subcontracted labor approval forms, and the owner's production value approval documents and records to verify the contract costs incurred.

(5) Select samples to check if the relevant contract costs are recorded in the appropriate accounting period.

(6) Select a sample to conduct a site inspection of the progress of the project image to verify the reasonableness of the project's performance schedule.

## (II) Measurement of fair value of investment real estate

For related information disclosure, please refer to Note III, 17, Note V, 15, Note V 51 and Note XI of the financial statements.

## 1. Description

As of Wednesday, December 31, 2025, the book balance of the investment real estate of Fangda group which adopts the fair value model for subsequent measurement

is RMB5.548 billion, accounting for 44.12% of the total assets. The income from changes in fair value realized in the current period is RMB-281,000,000 which has a great impact on the financial indicators of the Group's consolidated statements.

The management of Fangda Group annually employs a third-party assessment agency with relevant qualifications to evaluate the fair value of the investment real estate. The evaluation adopts the market comparison method and the income method to comprehensively analyze various factors that affect the real estate price of the appraisal subject. The assessment of the fair value of investment real estate involves many estimates and assumptions, such as the analysis of the economic environment and future trends of the real estate where the investment real estate is located, discount rates, etc. The changes in estimates and assumptions will have big impacts on the fair value of the investment real estate evaluated. Therefore, we identify the measurement of fair value of investment real estate as a key audit matter.

## 2. Audit response

Our audit procedures for the measurement of fair value of investment real estate mainly include:

(1) Assess the competency, professional quality, independence and objectivity of third-party assessment agencies employed by the management.

(2) Obtain the assessment report, selected major or typical samples, and use our real estate appraisal experts to review and review the assessment methods and assumptions used in the assessment report and the rationality of the selected key assessment parameters. Check the accuracy and relevance of the data used by the management in valuation.

(3) Review the measurement, presentation and disclosure of fair value of investment real estate in the financial statements.

(III) Measurement of expected credit loss of accounts receivable and contract assets

For related information disclosure, please refer to Note III, 11, Note V, 5, Note V,

10 and Note V, 21 of the financial statements.

### 1. Description

As of December 31, 2025, the Company's total accounts receivable amounted to RMB1.488 billion, with an allowance for doubtful accounts of RMB602 million; the total contract assets amounted to RMB2.340 billion, with an impairment provision of RMB226 million. The combined carrying amount of accounts receivable and contract assets represented 23.85% of the Company's total assets. Due to the large amount of accounts receivable and contract assets of Fangda group, the management needs to use important accounting estimation and judgment when determining the expected recoverable amount of accounts receivable and contract assets, and the expected credit loss of accounts receivable and contract assets is important for financial statements. Therefore, we determine the measurement of expected credit loss of accounts receivable and contract assets as the key audit accounting matters.

### 2. Audit response

(1) Understand and evaluate the effectiveness of internal control design related to the provision for bad debts of accounts receivable and provision for impairment of contract assets of Fangda Group, and test the effectiveness of key control operation.

(2) Review the relevant considerations and objective evidence of the management's credit risk assessment of accounts receivable and contract assets, and evaluate whether the management has properly identified the credit risk characteristics of various accounts receivable.

(3) We reviewed management's process for calculating the allowance for doubtful accounts on accounts receivable and the impairment provision on contract assets, including:

① For accounts receivable and contract assets measured for expected credit losses on a portfolio basis, we evaluated the reasonableness of management's grouping by credit risk characteristics; examined the expected credit loss measurement model and

assessed the reasonableness of significant assumptions and key parameters therein; obtained the aging schedule of accounts receivable and the corresponding table of expected credit loss rates over the instruments' lifetime prepared by management, and tested the accuracy and completeness of the data used by management as well as the correctness of the allowance calculation;

② For accounts receivable and contract assets subject to individual expected credit loss assessment, we reviewed the accuracy and reasonableness of the information and underlying assumptions used by management in its testing process; and verified the accuracy of impairment provisions recognized for aged accounts receivable and contract assets, as well as those involved in litigation matters.

(4) According to the characteristics and nature of customer transactions, select samples to implement the accounts receivable confirmation procedure and check the collection after the period, and evaluate the rationality of the provision for bad debts of accounts receivable.

#### **4. Other information**

The management of Fangda Group (hereinafter referred to as management) is responsible for other information. The other information includes the information covered in Fangda Group's 2025 annual report, but does not include the financial statements and our audit report.

Our audit opinions published in the financial statements do not cover other information and we do not publish any form of assurance conclusion on other information.

In connection with our audit of the financial statements, our responsibility is to read other information. In the process, we consider whether there is a material inconsistency or other material misstatement of other information whether it is in the financial statements or what we have learned during the audit process.

Based on the work we have performed, if we determine that there is a material

misstatement of other information, we should report that fact. In this regard, we have nothing to report.

## **5. Executives' Responsibilities on the Financial Statements**

(1) Preparing these financial statements according to the Accounting Standards for Business Enterprises and presenting them fairly; (2) designing, implementing and maintaining necessary internal control to make sure that these financial statements are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the management is responsible for assessing Fangda Group's ability to continue as a going concern, disclosing issues related to going concern (if applicable), and applying the going concern assumption unless management plans to liquidate Fangda Group, terminate operations or there are no other realistic choices.

The management is responsible for overseeing the financial reporting process of Fangda Group.

## **6. Auditor's responsibility for auditing financial statements**

Our objective is to obtain reasonable assurance as to whether the entire financial statements are free from material misstatement due to fraud or error and to issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with auditing standards can always be discovered when a major misstatement exists. The report may be due to fraud or mistakes, and if a reasonable expectation of misstatement alone or aggregated may affect the economic decision-making made by users of financial statements based on the financial statements, the misstatement is generally considered to be material.

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

(1) Identify and assess risks of material misstatement of financial statements due

to fraud or errors, design and implement audit procedures to address these risks, and obtain adequate and appropriate audit evidence as a basis for issuing audit opinions. As fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control, the risk of not discovering a material misstatement due to fraud is higher than the risk of not discovering a material misstatement resulting from a mistake.

(2) Understand audit-related internal controls to design appropriate audit procedures.

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

(4) Conclude on the appropriateness of management's use of continuing operations assumptions. At the same time, based on the audit evidence obtained, it concludes that whether there are major uncertainties in the matters or circumstances that may cause major doubts about the ability of the Company's continuing operations. If we conclude that there are significant uncertainties, the auditing standards require us to request the users of the report to pay attention to the relevant disclosures in the financial statements in the audit report; if the disclosure is not sufficient, we should publish non-unqualified opinions. Our conclusions are based on the information available as of the date of the audit report. However, future events or circumstances may result in Fangda Group's inability to continue operating.

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

(6) Obtain sufficient and appropriate audit evidence on the financial information of entity or business activities in Fangda Group to express opinions on the financial statements. We are responsible for directing, supervising and executing group audits and assume full responsibility for audit opinions.

We communicate with the governance team on planned audit scope, timing, and

major audit findings, including communication of the internal control deficiencies that we identified during the audit.

We also provide a statement to the management on compliance with ethical requirements related to independence, and communicate with the management on all relationships and other matters that may reasonably be considered to affect our independence, as well as related preventive measures (if applicable).

From the matters passed with the management, we determine which items are most important for the audit of the financial statements of the current period and thus constitute the key audit matters. We describe these matters in our audit report, unless laws and regulations prohibit the public disclosure of these matters, or in rare cases, if it is reasonably expected that the negative consequences of communicating something in the audit report will outweigh the benefits in the public interest, we determine that such matter should not be communicated in the audit report.

(No text follows)

(This page has no text. It is the signature and stamp page of audit report No. [2026]510Z0221 of China Fangda Group Co., Ltd. )

RSM China  
(limited liability  
partnership)

CPA:\_\_\_\_\_

Zhou Junchao (Project  
Partner)

Beijing, China

CPA:\_\_\_\_\_

Yang Yang

April 3, 2026

## Consolidated Balance Sheet

December 31, 2025

Prepared by: China Fangda Group Co., Ltd.

In RMB

Item	Note	December 31, 2025	December 31, 2024	Item	Note	December 31, 2025	December 31, 2024
<b>Current asset:</b>				<b>Current liabilities</b>			
Monetary capital	V. 1	1,401,292,102.72	1,491,777,341.84	Short-term loans	V. 23	1,202,846,497.03	1,663,696,422.48
Transactional financial assets	V. 2	410.06	-	Transactional financial liabilities		-	-
Derivative financial assets	V. 3	1,459,950.00	-	Derivative financial liabilities	V. 24	-	1,520,625.00
Notes receivable	V. 4	121,778,063.00	73,887,694.24	Notes payable	V. 25	429,110,637.53	681,188,127.97
Account receivable	V. 5	885,516,557.23	1,123,506,196.98	Account payable	V. 26	2,040,691,220.16	2,146,594,890.57
Receivable financing	V. 6	-	4,568,000.10	Prepayment received	V. 27	3,517,539.83	1,513,398.39
Prepayment	V. 7	20,407,968.16	23,355,036.11	Contract liabilities	V. 28	350,155,877.61	268,594,041.26
Other receivables	V. 8	120,173,307.70	168,322,524.80	Employees' wage payable	V. 29	67,812,846.09	76,243,647.97
Including: interest receivable		-	-	Taxes payable	V. 30	40,439,297.75	48,847,117.19
Dividend receivable		-	-	Other payables	V. 31	125,372,728.24	120,918,002.02
Inventory	V. 9	685,058,418.56	705,666,408.74	Including: interest payable			
Among them: data resources		-	-	Dividend payable			
Contract assets	V. 10	1,998,091,151.43	2,247,698,479.96	Liabilities held for sales			
Assets held for sales		-	-	Non-current liabilities due in 1 year	V. 32	379,089,194.66	131,374,661.05
Non-current assets due in 1 year		-	-	Other current liabilities	V. 33	60,918,938.51	50,835,559.67
Other current assets	V. 11	296,646,964.92	307,777,143.14	<b>Total current liabilities</b>		<b>4,699,954,777.41</b>	<b>5,191,326,493.57</b>
<b>Total current assets</b>		<b>5,530,424,893.78</b>	<b>6,146,558,825.91</b>	<b>Non-current liabilities:</b>			
<b>Non-current assets:</b>				Long-term loans	V. 34	1,290,000,000.00	1,137,000,000.00
Debt investment				Bond payable			-
Other debt investment				Including: preferred stock			-
Long-term receivables				Perpetual bond			-
Long-term share equity investment	V. 12	32,988,644.63	56,690,973.97	Lease liabilities	V. 35	8,979,546.87	10,652,607.48
Investment in other equity tools		-	-	Long-term payable			-
Other non-current financial assets	V. 13	6,516,131.63	6,519,740.17	Long-term employee benefits payable			-
Investment real estate	V. 14	5,548,371,426.50	5,835,036,098.20	Anticipated liabilities	V. 36	1,455,390.21	1,286,391.72
Fixed assets	V. 15	940,980,113.90	940,894,344.39	Deferred earning	V. 37	26,304,277.69	10,669,612.13
Construction in process	V. 16	1,214,530.34	7,265,104.44	Deferred income tax liabilities	V. 20	941,080,689.22	1,030,341,141.92
Productive biological assets		-	-	Other non-current liabilities			
Gas & petrol		-	-	<b>Total of non-current liabilities</b>		<b>2,267,819,903.99</b>	<b>2,189,949,753.25</b>
Use right assets	V. 17	13,470,006.41	15,683,121.04	<b>Total liabilities</b>		<b>6,967,774,681.40</b>	<b>7,381,276,246.82</b>
Intangible assets	V. 18	82,258,834.99	124,052,394.79	<b>Owner's equity:</b>			
Among them: data resources				Share capital	V. 38	1,073,874,227.00	1,073,874,227.00
R&D expense				Other equity tools			
Among them: data resources				Including: preferred stock			
Goodwill				Perpetual bond			
Long-term amortizable expenses	V. 19	6,562,494.97	4,041,025.70	Capital reserves	V. 39	4,357,948.33	4,357,948.33
Deferred income tax assets	V. 20	266,869,033.36	205,986,926.71	Less: Shares in stock		-	-
Other non-current assets	V. 21	145,743,957.24	212,658,669.89	Other miscellaneous income	V. 40	161,046,834.50	158,405,014.52
<b>Total of non-current assets</b>		<b>7,044,975,173.97</b>	<b>7,408,828,399.30</b>	Special reserves		-	-
				Surplus reserve	V. 41	85,368,328.00	83,974,716.22
				Undistributed profit	V. 42	4,234,637,792.91	4,805,192,000.28
				Total of owner's equity belong to the parent company		5,559,285,130.74	6,125,803,906.35
				Minor shareholders' equity		48,340,255.61	48,307,072.04
				<b>Total of owners' equity</b>		<b>5,607,625,386.35</b>	<b>6,174,110,978.39</b>
<b>Total of assets</b>		<b>12,575,400,067.75</b>	<b>13,555,387,225.21</b>	<b>Total of liabilities and owner's interest</b>		<b>12,575,400,067.75</b>	<b>13,555,387,225.21</b>
Legal representative:			CFO:			Accounting firm manager:	

## Consolidated Income Statement

2025

Prepared by: China Fangda Group Co., Ltd.		In RMB	
Item	Note	2025	2024
<b>1. Total revenue</b>	V. 43	<b>3,377,303,066.44</b>	<b>4,424,224,197.71</b>
Incl. Business income	V. 43	3,377,303,066.44	4,424,224,197.71
<b>2. Total business cost</b>		<b>3,405,647,937.11</b>	<b>4,114,643,580.92</b>
Incl. Business cost	V. 43	2,921,536,952.53	3,588,142,296.48
Taxes and surcharges	V. 44	36,011,342.42	43,364,391.34
Sales expense	V. 45	57,404,021.17	55,140,153.13
Administrative expense	V. 46	179,347,723.55	191,667,435.20
R&D cost	V. 47	132,814,412.12	171,031,371.73
Financial expenses	V. 48	78,533,485.32	65,297,933.04
Including: interest cost	V. 48	73,451,706.21	60,377,020.35
Interest income	V. 48	10,685,216.12	19,230,549.61
Add: other gains	V. 49	10,569,849.85	19,683,263.58
Investment gains ("-" for loss)	V. 50	-25,773,481.21	-4,547,362.60
Incl. Investment gains from affiliates and joint ventures	V. 50	-23,702,329.34	-70,043.43
Financial assets derecognized as a result of amortized cost	V. 50	-3,565,876.31	-2,538,217.26
Net open hedge gains ("-" for loss)		-	
Gains from change of fair value ("-" for loss)	V. 51	-280,735,167.15	-18,394,198.42
Credit impairment ("-" for loss)	V. 52	-252,544,839.46	-110,686,852.25
Investment impairment loss ("-" for loss)	V. 53	-30,626,112.52	-35,260,579.49
Investment gains ("-" for loss)	V. 54	-3,032,277.77	-500,192.81
<b>3. Operational profit ("-" for loss)</b>		<b>-610,486,898.93</b>	<b>159,874,694.80</b>
Plus: non-operational income	V. 55	582,660.42	1,712,412.29
Less: non-operational expenditure	V. 56	18,360,766.41	2,226,292.50
<b>4. Gross profit ("-" for loss)</b>		<b>-628,265,004.92</b>	<b>159,360,814.59</b>
Less: Income tax expenses	V. 57	-112,831,775.11	13,192,524.27
<b>5. Net profit ("-" for net loss)</b>		<b>-515,433,229.81</b>	<b>146,168,290.32</b>
(1) By operating consistency			
1. Net profit from continuous operation ("-" for net loss)		-515,433,229.81	146,168,290.32
2. Net profit from discontinuous operation ("-" for net loss)			
(2) By ownership			
1. Net profit attributable to the owners of parent company ("-" for net loss)		-515,466,884.24	144,813,705.53
2. Gains and losses of minority shareholders (net losses are shown in "-")		33,654.43	1,354,584.79
<b>6. After-tax net amount of other misc. incomes</b>		<b>2,641,334.26</b>	<b>113,857,440.93</b>
(1) After-tax net amount of other misc. incomes attributed to parent's owner		2,641,819.98	113,861,211.98
1. Other misc. incomes that cannot be re-classified into gain and loss		-	-
(1) Re-measure the change in the defined benefit plan			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Fair value change of investment in other equity tools			
(4) Fair value change of the company's credit risk			
2. Other misc. incomes that cannot be re-classified into gain and loss		2,641,819.98	113,861,211.98
(1) Other comprehensive income that can be transferred to profit or loss under the equity method			
(2) Fair value change of other debt investment			
(3) Gains and losses from changes in fair value of available-for-sale financial assets			
(4) Other credit investment credit impairment provisions			
(5) Cash flow hedge reserve	V. 58	2,533,488.76	-1,440,207.76
(6) Translation difference of foreign exchange statement	V. 58	295,993.10	-769,741.24
7. Others	V. 58	-187,661.88	116,071,160.98
(2) After-tax net of other misc. income attributed to minority shareholders		-485.72	-3,771.05
<b>7. Total of misc. incomes</b>		<b>-512,791,895.55</b>	<b>260,025,731.25</b>
(1) Total of misc. incomes attributable to the owners of the parent company		-512,825,064.26	258,674,917.51
(2) Total misc gains attributable to the minor shareholders		33,168.71	1,350,813.74
<b>8. Earnings per share</b>			
(1) Basic earnings per share (yuan/share)		-0.48	0.13
(2) Diluted earnings per share (yuan/share)		-0.48	0.13
Legal representative:	CFO:		Accounting firm manager:

## Consolidated Cash Flow Statement

2025

Prepared by: China Fangda Group Co., Ltd.

In RMB

Item	Note	2025	2024
<b>1. Net cash flow from business operations:</b>			
Cash received from sales of products and providing of services		3,736,526,691.18	4,480,307,796.77
Tax refunded		87,812,070.80	20,223,216.89
Other cash received from business operation	V. 59	153,978,372.04	115,024,150.76
Sub-total of cash inflow from business operations		3,978,317,134.02	4,615,555,164.42
Cash paid for purchasing products and services		2,964,314,842.23	3,476,800,439.66
Cash paid to and for the staff		483,554,744.62	500,142,274.75
Taxes paid		186,348,404.40	187,032,846.31
Other cash paid for business activities	V. 59	156,686,242.90	180,685,510.27
Sub-total of cash outflow from business operations		3,790,904,234.15	4,344,661,070.99
<b>Cash flow generated by business operations, net</b>		<b>187,412,899.87</b>	<b>270,894,093.43</b>
<b>2. Cash flow generated by investment:</b>			
Cash received from investment recovery		1,089,745,926.15	1,785,649.27
Cash received as investment profit		1,426,386.60	214,188.46
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		52,154,307.71	8,161,249.68
Net cash received from disposal of subsidiaries or other operational units			
Other investment-related cash received			
Sub-total of cash inflow generated from investment		1,143,326,620.46	10,161,087.41
Cash paid for construction of fixed assets, intangible assets and other long-term assets		98,345,774.80	229,651,090.29
Cash paid as investment		1,089,326,003.52	27,416,773.30
Net cash paid for acquiring subsidiaries and other operational units			
Other cash paid for investment	V. 59		1,787,676.30
Subtotal of cash outflows		1,187,671,778.32	258,855,539.89
<b>Cash flow generated by investment activities, net</b>		<b>-44,345,157.86</b>	<b>-248,694,452.48</b>
<b>3. Cash flow generated by financing activities</b>			
Cash received from investment		14.86	14,873.62
Incl. Cash received from investment attracted by subsidiaries from minority shareholders		14.86	14,873.62
Cash received from borrowed loans		2,516,692,628.24	3,503,675,536.37
Other cash received from financing activities	V. 59	100,842,000.00	463,600,944.44
Subtotal of cash inflow from financing activities		2,617,534,643.10	3,967,291,354.43
Cash paid to repay debts		2,563,323,480.12	3,451,800,000.00
Cash paid as dividend, profit, or interests		126,024,225.73	167,473,899.50
Incl. Dividend and profit paid by subsidiaries to minority shareholders			6,962,732.02
Other cash paid for financing activities	V. 59	12,963,429.49	119,400,311.19
Subtotal of cash outflow from financing activities		2,702,311,135.34	3,738,674,210.69
<b>Net cash flow generated by financing activities</b>		<b>-84,776,492.24</b>	<b>228,617,143.74</b>
<b>4. Influence of exchange rate changes on cash and cash equivalents</b>			
		949,081.78	1,247,313.23
<b>5. Net increase in cash and cash equivalents</b>			
		<b>59,240,331.55</b>	<b>252,064,097.92</b>
Plus: Balance of cash and cash equivalents at the beginning of term		1,031,725,216.34	779,661,118.42
<b>6. Balance of cash and cash equivalents at the end of the period</b>			
		<b>1,090,965,547.89</b>	<b>1,031,725,216.34</b>
Legal representative:	CFO:	Accounting firm manager:	

## Statement of Change in Owners' Equity

2025

Prepared by: China Fangda Group Co., Ltd.

In RMB

Item	2025													
	Owners' Equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity	
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserve	Undistributed profit	Subtotal			
		Preferred share	Perpetual bond	Others										
<b>1. Balance at the end of last year</b>	1,073,874,227.00				4,357,948.33		158,405,014.52		83,974,716.22	4,805,192,000.28	<b>6,125,803,906.35</b>	48,307,072.04	<b>6,174,110,978.39</b>	
Plus: Changes in accounting policies											-		-	
Correction of previous errors											-		-	
Others											-		-	
<b>2. Balance at the beginning of current year</b>	<b>1,073,874,227.00</b>	-	-	-	<b>4,357,948.33</b>	-	<b>158,405,014.52</b>	-	<b>83,974,716.22</b>	<b>4,805,192,000.28</b>	<b>6,125,803,906.35</b>	<b>48,307,072.04</b>	<b>6,174,110,978.39</b>	
<b>3. Change amount in the current year ("-" for decrease)</b>	-	-	-	-	-	-	<b>2,641,819.98</b>	-	<b>1,393,611.78</b>	<b>-570,554,207.37</b>	<b>-566,518,775.61</b>	<b>33,183.57</b>	<b>-566,485,592.04</b>	
(1) Total of misc. incomes							2,641,819.98			-515,466,884.24	<b>-512,825,064.26</b>	33,168.71	<b>-512,791,895.55</b>	
(2) Investment or decreasing of capital by owners	-	-	-	-	-	-	-	-	-	-	-	14.86	<b>14.86</b>	
1. Common shares invested by owners											-	14.86	<b>14.86</b>	
2. Capital contributed by other equity instrument holders											-		-	
3. Amount of shares paid and accounted as owners' equity											-		-	
4. Others											-		-	
(3) Profit allotment	-	-	-	-	-	-	-	-	1,393,611.78	-55,087,323.13	<b>-53,693,711.35</b>	-	<b>-53,693,711.35</b>	
1. Provision of surplus reserves									1,393,611.78	-1,393,611.78	-		-	
2. Distribution to owners (or shareholders)										-53,693,711.35	<b>-53,693,711.35</b>		<b>-53,693,711.35</b>	
3. Others											-		-	
(4) Internal carry-over of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	
1. Capitalizing of capital reserves (or share capital)											-		-	
2. Capitalizing of surplus reserves (or share capital)											-		-	
3. Surplus reserves used to cover losses											-		-	
4. Retained gain transferred due to change in set benefit program											-		-	
5. Other comprehensive income carry forward retained earnings											-		-	
6. Others											-		-	
(5) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	
1. This year's extraction											-		-	
2. Used this year											-		-	
(6) Others											-		-	
<b>IV. Closing balance</b>	<b>1,073,874,227.00</b>	-	-	-	<b>4,357,948.33</b>	-	<b>161,046,834.50</b>	-	<b>85,368,328.00</b>	<b>4,234,637,792.91</b>	<b>5,559,285,130.74</b>	<b>48,340,255.61</b>	<b>5,607,625,386.35</b>	
Legal representative:							CFO:							Accounting firm manager:

## Statement of Change in Owners' Equity

2025

Prepared by: China Fangda Group Co., Ltd.

In RMB

Item	2024												
	Owners' Equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserve	Undistributed profit	Subtotal		
	Preferred share	Perpetual bond	Others										
<b>1. Balance at the end of last year</b>	1,073,874,227.00				11,459,588.40		23,121,870.79		79,324,940.43	4,772,359,940.45	<b>5,960,140,567.07</b>	74,655,271.20	<b>6,034,795,838.27</b>
Plus: Changes in accounting policies											-		-
Correction of previous errors											-		-
Others											-		-
<b>2. Balance at the beginning of current year</b>	<b>1,073,874,227.00</b>	-	-	-	<b>11,459,588.40</b>	-	<b>23,121,870.79</b>	-	<b>79,324,940.43</b>	<b>4,772,359,940.45</b>	<b>5,960,140,567.07</b>	<b>74,655,271.20</b>	<b>6,034,795,838.27</b>
<b>3. Change amount in the current year ("-" for decrease)</b>	-	-	-	-	<b>-7,101,640.07</b>	-	<b>135,283,143.73</b>	-	<b>4,649,775.79</b>	<b>32,832,059.83</b>	<b>165,663,339.28</b>	<b>-26,348,199.16</b>	<b>139,315,140.12</b>
(1) Total of misc. incomes							113,861,211.98			144,813,705.53	<b>258,674,917.51</b>	1,350,813.74	<b>260,025,731.25</b>
(2) Investment or decreasing of capital by owners					-7,101,640.07	-	-	-	-	-	<b>-7,101,640.07</b>	-20,736,280.88	<b>-27,837,920.95</b>
1. Common shares invested by owners											-	-20,736,280.88	<b>-20,736,280.88</b>
2. Capital contributed by other equity instrument holders											-		-
3. Amount of shares paid and accounted as owners' equity											-		-
4. Others					-7,101,640.07						<b>-7,101,640.07</b>		<b>-7,101,640.07</b>
(3) Profit allotment	-	-	-	-	-	-	-	-	5,728,420.02	-91,638,358.18	<b>-85,909,938.16</b>	-6,962,732.02	<b>-92,872,670.18</b>
1. Provision of surplus reserves									5,728,420.02	-5,728,420.02	-		-
2. Distribution to owners (or shareholders)										-85,909,938.16	<b>-85,909,938.16</b>	-6,962,732.02	<b>-92,872,670.18</b>
3. Others											-		-
(4) Internal carry-over of owners' equity	-	-	-	-	-	-	21,421,931.75	-	-1,078,644.23	-20,343,287.52	-	-	-
1. Capitalizing of capital reserves (or share capital)											-		-
2. Capitalizing of surplus reserves (or share capital)											-		-
3. Surplus reserves used to cover losses											-		-
4. Retained gain transferred due to change in set benefit program											-		-
5. Other comprehensive income carry forward retained earnings							21,421,931.75	-	-1,078,644.23	-20,343,287.52	-		-
6. Others											-		-
(5) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
1. This year's extraction											-		-
2. Used this year											-		-
(6) Others											-		-
<b>IV. Closing balance</b>	<b>1,073,874,227.00</b>	-	-	-	<b>4,357,948.33</b>	-	<b>158,405,014.52</b>	-	<b>83,974,716.22</b>	<b>4,805,192,000.28</b>	<b>6,125,803,906.35</b>	<b>48,307,072.04</b>	<b>6,174,110,978.39</b>

Legal representative:

CFO:

Accounting firm manager:

## Balance Sheet of the Parent Company

December 31, 2025

Prepared by: China Fangda Group Co., Ltd.						In RMB Currency: RMB	
Assets	Note	December 31, 2025	December 31, 2024	Liabilities and owner's interest	Note	December 31, 2025	December 31, 2024
<b>Current asset:</b>				<b>Current liabilities</b>			
Monetary capital		20,613,570.12	45,751,906.05	Short-term loans			
Transactional financial assets				Transactional financial liabilities			
Derivative financial assets				Derivative financial liabilities			
Notes receivable				Notes payable			
Account receivable	XVI. 1	5,225,854.36	2,885,125.35	Account payable		845,545.88	873,640.82
Receivable financing				Prepayment received		758,736.42	749,684.15
Prepayment		342,719.99	145,287.27	Contract liabilities			
Other receivables	XVI. 2	1,131,454,187.78	1,622,103,166.85	Employees' wage payable		1,883,259.98	2,834,942.51
Including: interest receivable				Taxes payable		248,881.74	286,140.09
Dividend receivable				Other payables		1,005,650,528.32	1,437,682,555.06
Inventory				Including: interest payable			
Among them: data resources				Dividend payable			
Contract assets				Liabilities held for sales			
Assets held for sales				Non-current liabilities due in 1 year		2,839,640.73	3,531,740.50
Non-current assets due in 1 year				Other current liabilities		259,291.84	164,239.72
Other current assets		2,482,430.99	2,081,838.29	<b>Total current liabilities</b>		<b>1,012,485,884.91</b>	<b>1,446,122,942.85</b>
<b>Total current assets</b>		<b>1,160,118,763.24</b>	<b>1,672,967,323.81</b>	<b>Non-current liabilities:</b>			
<b>Non-current assets:</b>				Long-term loans			
Debt investment				Bond payable			
Other debt investment				Including: preferred stock			
Long-term receivables				Perpetual bond			
Long-term share equity investment	XVI. 3	1,706,562,530.00	1,657,062,530.00	Lease liabilities		727,265.94	4,614,693.40
Investment in other equity tools				Long-term payable			
Other non-current financial assets		30,000,001.00	30,000,001.00	Long-term employee benefits payable			
Investment real estate		376,551,400.00	380,644,350.00	Anticipated liabilities			
Fixed assets		44,963,441.98	46,688,469.68	Deferred earning		-	
Construction in process				Deferred income tax liabilities		46,328,991.71	42,909,713.11
Productive biological assets				Other non-current liabilities			
Gas & petrol				<b>Total of non-current liabilities</b>		<b>47,056,257.65</b>	<b>47,524,406.51</b>
Use right assets		3,449,628.07	8,030,919.38	<b>Total liabilities</b>		<b>1,059,542,142.56</b>	<b>1,493,647,349.36</b>
Intangible assets		1,266,785.86	1,200,848.82	<b>Owner's equity:</b>			
Among them: data resources				Share capital		1,073,874,227.00	1,073,874,227.00
R&D expense				Other equity tools			
Among them: data resources				Including: preferred stock			
Goodwill				Perpetual bond			
Long-term amortizable expenses		104,570.72	285,478.52	Capital reserves		360,835.52	360,835.52
Deferred income tax assets				Less: Shares in stock			
Other non-current assets				Other miscellaneous income		39,731,740.46	39,731,740.46
<b>Total of non-current assets</b>		<b>2,162,898,357.63</b>	<b>2,123,912,597.40</b>	Special reserves			
				Surplus reserve		85,368,328.00	83,974,716.22
				Undistributed profit		1,064,139,847.33	1,105,291,052.65
				<b>Total of owners' equity</b>		<b>2,263,474,978.31</b>	<b>2,303,232,571.85</b>
<b>Total of assets</b>		<b>3,323,017,120.87</b>	<b>3,796,879,921.21</b>	<b>Total of liabilities and owner's interest</b>		<b>3,323,017,120.87</b>	<b>3,796,879,921.21</b>
Legal representative:			CFO:			Accounting firm manager:	

## Income Statement of the Parent Company

2025			
Prepared by: China Fangda Group Co., Ltd.			In RMB
Item	Note	2025	2024
<b>1. Turnover</b>	XVI. 4	22,995,999.62	22,532,419.32
Less: Operation cost	XVI. 4	8,267.66	81,137.33
Taxes and surcharges		1,265,967.33	1,424,024.13
Sales expense			
Administrative expense		26,399,191.80	32,460,638.60
R&D cost			
Financial expenses		-432,824.87	4,841,621.43
Including: interest cost		218,784.11	4,405,563.35
Interest income		580,933.35	260,151.97
Add: other gains		58,615.83	108,256.72
Investment gains ("-" for loss)	XVI. 5	25,676,162.22	72,929,550.62
Incl. Investment gains from affiliates and joint ventures			
Financial assets derecognized as a result of amortized cost			
Net open hedge gains ("-" for loss)			
Gains from change of fair value ("-" for loss)		-4,092,950.00	-4,092,950.00
Credit impairment ("-" for loss)		-80,044.21	-238,257.79
Investment impairment loss ("-" for loss)			
Investment gains ("-" for loss)		32,377.91	1,053,415.23
<b>2. Operational profit ("-" for loss)</b>		<b>17,349,559.45</b>	<b>53,485,012.61</b>
Plus: non-operational income		6,681.45	5,025.67
Less: non-operational expenditure		844.46	24,170.61
<b>4. Gross profit ("-" for loss)</b>		<b>17,355,396.44</b>	<b>53,465,867.67</b>
Less: Income tax expenses		3,419,278.63	-3,818,332.48
<b>4. Net profit ("-" for net loss)</b>		<b>13,936,117.81</b>	<b>57,284,200.15</b>
1. Net profit from continuous operation ("-" for net loss)		13,936,117.81	57,284,200.15
2. Net profit from discontinuous operation ("-" for net loss)			
<b>5. After-tax net amount of other misc. incomes</b>		<b>-</b>	<b>28,392,754.08</b>
(1) Other misc. incomes that cannot be re-classified into gain and loss		-	-
1. Re-measure the change in the defined benefit plan			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Fair value change of investment in other equity tools			
4. Fair value change of the Company's credit risk			
(2) Other misc. incomes that will be re-classified into gain and loss		-	28,392,754.08
1. Other comprehensive income that can be transferred to profit or loss under the equity method			
2. Fair value change of other debt investment			
3. Gains and losses from changes in fair value of available-for-sale financial assets			
4. Other credit investment credit impairment provisions			
5. Cash flow hedge reserve			
6. Translation difference of foreign exchange statement			
7. Others			28,392,754.08
<b>6. Total of misc. incomes</b>		<b>13,936,117.81</b>	<b>85,676,954.23</b>
Legal representative:	CFO:	Accounting firm manager:	

Note: For companies that prepare consolidated statements of income, only basic and diluted earnings per share on a consolidated basis need to be calculated and presented, and basic and diluted earnings per share on a parent company basis need not be calculated and presented.

## Cash Flow Statement of the Parent Company

2025

Prepared by: China Fangda Group Co., Ltd.		In RMB	
Item	Note	2025	2024
<b>1. Net cash flow from business operations:</b>			
Cash received from sales of products and providing of services		14,964,442.31	23,297,859.17
Tax refunded			
Other cash received from business operation		846,127,900.09	1,444,921,260.13
Sub-total of cash inflow from business operations		861,092,342.40	1,468,219,119.30
Cash paid for purchasing products and services		3,632,374.00	3,898,051.28
Cash paid to and for the staff		15,288,292.77	17,406,198.35
Taxes paid		2,276,582.56	2,519,884.87
Other cash paid for business activities		734,330,454.16	991,774,056.35
Sub-total of cash outflow from business operations		755,527,703.49	1,015,598,190.85
<b>Cash flow generated by business operations, net</b>		<b>105,564,638.91</b>	<b>452,620,928.45</b>
<b>2. Cash flow generated by investment:</b>			
Cash received from investment recovery		38,000,000.00	235,323,000.00
Cash received as investment profit		25,679,051.34	72,929,550.62
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets			
Net cash received from disposal of subsidiaries or other operational units			
Other investment-related cash received			
Sub-total of cash inflow generated from investment		63,679,051.34	308,252,550.62
Cash paid for construction of fixed assets, intangible assets and other long-te		426,033.24	508,802.14
Cash paid as investment		87,500,000.00	365,554,277.00
Net cash paid for acquiring subsidiaries and other operational units			
Other cash paid for investment			
Subtotal of cash outflows		87,926,033.24	366,063,079.14
<b>Cash flow generated by investment activities, net</b>		<b>-24,246,981.90</b>	<b>-57,810,528.52</b>
<b>3. Cash flow generated by financing activities</b>			
Cash received from investment			
Cash received from borrowed loans			
Other cash received from financing activities		-	
Subtotal of cash inflow from financing activities		-	-
Cash paid to repay debts			300,000,000.00
Cash paid as dividend, profit, or interests		53,693,711.35	90,940,972.34
Other cash paid for financing activities		52,842,009.56	4,061,076.00
Subtotal of cash outflow from financing activities		106,535,720.91	395,002,048.34
<b>Net cash flow generated by financing activities</b>		<b>-106,535,720.91</b>	<b>-395,002,048.34</b>
<b>4. Influence of exchange rate changes on cash and cash equivalents</b>		79,727.97	17,360.14
<b>5. Net increase in cash and cash equivalents</b>		<b>-25,138,335.93</b>	<b>-174,288.27</b>
Plus: Balance of cash and cash equivalents at the beginning of term		45,501,906.05	45,676,194.32
<b>6. Balance of cash and cash equivalents at the end of the period</b>		<b>20,363,570.12</b>	<b>45,501,906.05</b>

Legal representative:

CFO:

Accounting firm manager:

## Statement of Change in Owners' Equity (Parent Company)

2025

Prepared by: China Fangda Group Co., Ltd.

In RMB

Item	2025										Total of owners' equity
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserve	Undistributed profit	
		Preferred share	Perpetual bond	Others							
<b>I. Balance at the end of last year</b>	1,073,874,227.00				360,835.52		39,731,740.46		83,974,716.22	1,105,291,052.65	<b>2,303,232,571.85</b>
Add: Changes in accounting policies											-
Correction of previous errors											-
Others											-
<b>2. Balance at the beginning of current year</b>	<b>1,073,874,227.00</b>	-	-	-	<b>360,835.52</b>	-	<b>39,731,740.46</b>	-	<b>83,974,716.22</b>	<b>1,105,291,052.65</b>	<b>2,303,232,571.85</b>
<b>3. Change amount in the current year ("-" for decrease)</b>	-	-	-	-	-	-	-	-	<b>1,393,611.78</b>	<b>-41,151,205.32</b>	<b>-39,757,593.54</b>
(1) Total of misc. incomes										13,936,117.81	<b>13,936,117.81</b>
(2) Investment or decreasing of capital by owners	-	-	-	-	-	-	-	-	-	-	-
1. Common shares invested by owners											-
2. Capital contributed by other equity instrument holders											-
3. Amount of shares paid and accounted as owners' equity											-
4. Others											-
(3) Profit allotment	-	-	-	-	-	-	-	-	1,393,611.78	-55,087,323.13	<b>-53,693,711.35</b>
1. Provision of surplus reserves									1,393,611.78	-1,393,611.78	-
2. Distribution to owners (or shareholders)										-53,693,711.35	<b>-53,693,711.35</b>
3. Others											-
(4) Internal carry-over of owners' equity	-	-	-	-	-	-	-	-	-	-	-
1. Capitalizing of capital reserves (or share capital)											-
2. Capitalizing of surplus reserves (or share capital)											-
3. Surplus reserves used to cover losses											-
4. Retained gain transferred due to change in set benefit program											-
5. Other comprehensive income carry forward retained earnings											-
6. Others											-
(5) Special reserves	-	-	-	-	-	-	-	-	-	-	-
1. This year's extraction											-
2. Used this year											-
(6) Others											-
<b>IV. Closing balance</b>	<b>1,073,874,227.00</b>	-	-	-	<b>360,835.52</b>	-	<b>39,731,740.46</b>	-	<b>85,368,328.00</b>	<b>1,064,139,847.33</b>	<b>2,263,474,978.31</b>
Legal representative:					CFO:					Accounting firm manager:	

## Statement of Change in Owners' Equity (Parent Company)

2025

Prepared by: China Fangda Group Co., Ltd.

In RMB

Item	2024										Total of owners' equity
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserve	Undistributed profit	
		Preferred share	Perpetual bond	Others							
<b>1. Balance at the end of last year</b>	1,073,874,227.00				360,835.52		-10,082,945.37		79,324,940.43	1,159,988,498.20	<b>2,303,465,555.78</b>
Add: Changes in accounting policies											-
Correction of previous errors											-
Others											-
<b>2. Balance at the beginning of current year</b>	<b>1,073,874,227.00</b>	-	-	-	<b>360,835.52</b>	-	<b>-10,082,945.37</b>	-	<b>79,324,940.43</b>	<b>1,159,988,498.20</b>	<b>2,303,465,555.78</b>
<b>3. Change amount in the current year ("-" for decrease)</b>	-	-	-	-	-	-	<b>49,814,685.83</b>	-	<b>4,649,775.79</b>	<b>-54,697,445.55</b>	<b>-232,983.93</b>
(1) Total of misc. incomes							28,392,754.08			57,284,200.15	<b>85,676,954.23</b>
(2) Investment or decreasing of capital by owners	-	-	-	-	-	-	-	-	-	-	-
1. Common shares invested by owners											-
2. Capital contributed by other equity instrument holders											-
3. Amount of shares paid and accounted as owners' equity											-
4. Others											-
(3) Profit allotment	-	-	-	-	-	-	-	-	5,728,420.02	-91,638,358.18	<b>-85,909,938.16</b>
1. Provision of surplus reserves									5,728,420.02	-5,728,420.02	-
2. Distribution to owners (or shareholders)										-85,909,938.16	<b>-85,909,938.16</b>
3. Others											-
(4) Internal carry-over of owners' equity	-	-	-	-	-	-	21,421,931.75	-	-1,078,644.23	-20,343,287.52	-
1. Capitalizing of capital reserves (or share capital)											-
2. Capitalizing of surplus reserves (or share capital)											-
3. Surplus reserves used to cover losses											-
4. Retained gain transferred due to change in set benefit program											-
5. Other comprehensive income carry forward retained earnings							21,421,931.75		-1,078,644.23	-20,343,287.52	-
6. Others											-
(5) Special reserves	-	-	-	-	-	-	-	-	-	-	-
1. This year's extraction											-
2. Used this year											-
(6) Others											-
<b>IV. Closing balance</b>	<b>1,073,874,227.00</b>	-	-	-	<b>360,835.52</b>	-	<b>39,731,740.46</b>	-	<b>83,974,716.22</b>	<b>1,105,291,052.65</b>	<b>2,303,232,571.85</b>

Legal representative:

CFO:

Accounting firm manager:

## **China Fangda Group Co., Ltd.**

### **Notes to Financial Statements**

2025

(Unless otherwise specified)

#### **I. Company's profile**

China Fangda Group Co., Ltd. (hereinafter referred to as "the Company" or "the Company") was restructured and established in October 1995 through a public offering, based on the former "Shenzhen Fangda Building Materials Co., Ltd.", pursuant to the approval document No. Shen Fu Ban Han [1995] No. 194 issued by the General Office of Shenzhen Municipal People's Government. The unified social credit code is: 91440300192448589C; registered address: Fangda Technology Building, Keji South 12th Road, South District, High-tech Industrial Park, Nanshan District, Shenzhen. Mr. Xiong Jianming is the legal representative.

The Company issued foreign currency shares (B shares) and local currency shares (A shares) and listed in November 1995 and April 1996 respectively in Shenzhen Stock Exchange. The Company received the Reply to the Non-public Share Issuance of Fangda China Group Co., Ltd. (CSRC License [2016] No.825) to allow the Company to conduct non-public issuance of 32,184,931 A-shares in June 2016. According to the profit distribution plan for 2016 approved by the 2016 general shareholders' meeting, the Company issued five shares for every ten shares to all shareholders through surplus capitalization based on the total 789,094,836 shares on December 31, 2016. The registered capital at the end of 2017 was RMB 1,183,642,254.00. The Company repurchased and cancelled 28,160,568.00 B shares in August 2018, 32,097,497.00 B shares in January 2019, 35,105,238.00 B shares in May 2020, 14404724.00 B shares in April 2021 and cancelled in April 2021. The existing registered capital is RMB1,073,874,227.00 yuan.

The Company has established the corporate governance structure of the General Meeting of Shareholders and the Board of Directors. At present, it has set up the President's Office, the Administration Department, the Human Resources Department, the Enterprise Management Department, the Finance Department, the Audit and Supervision Department, the Securities Department, the Legal Department, the Information Management Department, the Technology

Innovation Department, and other departments, and has Shenzhen Fangda Construction Technology Group Co., Ltd. (hereinafter referred to as Fangda Construction Technology Co., Ltd.) Fangda Zhiyuan Technology Co., Ltd. (hereinafter referred to as Fangda Zhiyuan Technology Co., Ltd.), Fangda Jiangxi New Materials Co., Ltd., Fangda Real Estate Co., Ltd., Fangda New Energy Co., Ltd. and other subsidiaries.

The business nature and main business activities of the Company and its subsidiaries include: (1) curtain wall division, production and sales of curtain wall materials, design, production and installation of building curtain walls, and curtain wall testing and maintenance services; (2) Rail transit branch, assembly and processing of subway screen doors, screen door detection and maintenance services; (3) The real estate division is engaged in real estate development, operation and property leasing and property management services on the land that has legally obtained the right to use; (4) New energy division, photovoltaic power generation and sales; R&D, installation and sales of photovoltaic equipment, design and installation of photovoltaic power station project.

Date of financial statement approval: This financial statement is approved by the Board of Directors of the Company on April 03, 2026.

## **II. Basis for the preparation of financial statements**

### **1. Preparation basis**

The Company prepares the financial statements based on continuous operation and according to actual transactions and events, with figures confirmed and measured in compliance with the Accounting Standards for Business Enterprises and other specific account standards, application guide and interpretations. The Company has also disclosed related financial information according to the requirement of the Regulations of Information Disclosure No.15 – General Provisions for Financial Statements (Revised in 2023) issued by the CSRC.

### **2. Continuous operation**

The Company assessed the continuing operations capability of the Company for the 12 months from the end of the reporting period. No matters were found that would affect the Company's ability to continue as a going concern. It is reasonable for the Company to prepare financial statements based on continuing operations.

## **III. Significant Account Policies and Estimates**

The following major accounting policies and accounting estimates shall be formulated in accordance with the accounting standards of the enterprise. Unmentioned operations are carried out in accordance with the relevant accounting policies in the enterprise accounting standards.

### **1. Statement of Compliance to the Enterprise Accounting Standard**

These financial statements meet the requirements of the Accounting Standards for Business Enterprises and truly and fully reflect the Company's financial status, performance result, changes in shareholders' equity and cash flows.

### **2. Fiscal Period**

The accounting period of the Company is from January 1 to December 31 of each calendar year.

### **3. Operation Period**

Our normal business cycle is one year

### **4. Bookkeeping Standard Money**

The Company's bookkeeping standard currency is Renminbi, and overseas subsidiaries are based on the currency of the main economic environment in which they operate.

### **5. Method for determining importance criteria and selection criteria**

Item	Importance criteria
Amount of bad debt reserves recovered or reversed for important accounts receivable in the current period; important accounts receivable write off	Amount greater than 5% of the total consolidated profit and greater than RMB5 million (If the data is negative, its absolute value shall be used.)
Important ongoing projects	Amount greater than 1% of total consolidated net assets
Important payables with an aging of over 1 year	A single project is greater than 0.1% of the combined total assets
Major non wholly-owned subsidiaries	Individual net assets greater than 1% of the total consolidated net assets
Important joint ventures and associates	Investment income exceeding 5% of the consolidated total profit and greater than RMB5 million (if the amount is negative, its absolute value is used)

### **6. Accounting Treatment of the Entities under Common and Different Control**

#### **(1) Consolidation of entities under common control**

The assets and liabilities acquired by the Company in a business combination are measured at the book value of the combined party in the consolidated financial statements of

the ultimate controlling party on the date of combination. Where the combined party applied different accounting policies and accounting periods from those of the Company prior to the business combination, such policies and periods have been harmonized based on the materiality principle—specifically, the carrying amounts of the combined party's assets and liabilities have been adjusted in accordance with the Company's accounting policies and accounting periods. If there is a difference between the book value of the net assets acquired by the Company in the business combination and the book value of the consideration paid, first adjust the balance of the capital reserve (capital premium or equity premium), the balance of the capital reserve (capital premium or equity premium) If it is insufficient to offset, the surplus reserve and undistributed profits will be offset in sequence.

See Note 3, 7 (6) for the accounting treatment method of business combination under the same control through step-by-step transaction.

## **(2) Consolidation of entities under different control**

All identifiable assets and liabilities acquired by the Company during the merger shall be measured at its fair value on the date of purchase. Where the acquiree applied different accounting policies and accounting periods from those of the Company prior to the business combination, such policies and periods have been harmonized based on the materiality principle—specifically, the carrying amounts of the acquiree's assets and liabilities have been adjusted in accordance with the Company's accounting policies and accounting periods. The merger cost of the Company on the date of purchase is greater than the fair value of the assets and liabilities recognized by the purchaser in the merger, and is recognized as goodwill. If the merger cost is less than the difference between the identifiable assets and the fair value of the liabilities obtained by the purchaser in the enterprise merger, the merger cost and the fair value of the identifiable assets and the liabilities obtained by the purchaser in the enterprise merger are reviewed, and the merger cost is still less than the fair value of the identifiable assets and liabilities obtained by the purchaser after the review, the difference is considered as the profit and loss of the current period of the merger.

See Note 3, 7 (6) for the accounting treatment method of business combination under the same control through step-by-step transaction.

## **(3) Treatment of related transaction fee in enterprise merger**

Agency expenses and other administrative expenses such as auditing, legal consulting, or

appraisal services occurred relating to the merger of entities are accounted into current income account when occurred. The transaction fees of equity certificates or liability certificates issued by the purchaser for payment for the acquisition are accounted at the initial amount of the certificates.

## **7. Judgment criteria for control and preparation methods for consolidated financial statements**

### **(1) Determination of control criteria and consolidation scope**

Control means the power possessed by the Company on invested entities to share variable returns by participating in related activities of the invested entities and to impact the amount of the returns by using the power. The definition of control includes three basic elements: first, the investor has the power over the investee; second, enjoys variable returns due to participation in the investee's related activities; and third, has the ability to use the power over the investee to influence its return amount. When the Company's investment in the invested party meets the above three elements, it indicates that the Company can control the invested party.

The consolidated scope of the consolidated financial statements is determined on a control basis and includes not only subsidiaries determined on the basis of voting rights (or similar voting rights) themselves or in conjunction with other arrangements, but also structured subjects determined on the basis of one or more contractual arrangements.

The subsidiary company is the subject controlled by the Company (including the enterprise, the divisible part of the invested unit and the structured subject controlled by the enterprise, etc.). The structured subject is the subject which is not designed to determine the controlling party by taking the voting right or similar right as the decisive factor.

### **(2) Special provisions regarding the parent company being an investment entity**

If the parent company is an investment entity, only those subsidiary companies that provide services related to investment activities of the investment entity shall be included in the consolidation scope. Other subsidiary companies shall not be consolidated and their equity investments shall be recognized as financial assets measured at fair value with changes in fair value recognized in profit or loss.

The parent company qualifies as an investment entity when it simultaneously meets the

following conditions:

① The company obtains funds from one or more investors with the purpose of providing investment management services to the investors.

② The sole purpose of the company's operations is to generate returns for the investors through capital appreciation, investment income, or both.

③ The company evaluates and assesses the performance of almost all of its investments based on fair value.

When the parent company changes from a non-investment entity to an investment entity, it shall only include those subsidiary companies that provide relevant services for its investment activities in the preparation of consolidated financial statements. Other subsidiary companies shall no longer be consolidated, and the principle of recognizing partially disposed subsidiary companies' equity while retaining control shall be applied.

When the parent company changes from an investment entity to a non-investment entity, the subsidiary companies that were previously not included in the consolidation financial statements shall be included as of the date of the change. The fair value of these subsidiary companies on the date of the change shall be regarded as the transaction price of the acquisition and accounted for using the accounting treatment for business combinations under common control.

### **(3) Preparation of Consolidated Financial Statements**

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

The Company compiles consolidated financial statements, regards the whole enterprise group as an accounting entity, reflects the overall financial status, operating results and cash flow of the enterprise group according to the confirmation, measurement and presentation requirements of the relevant enterprise accounting standards, and the unified accounting policy and accounting period.

① Merge the assets, liabilities, owner's rights and interests, income, expenses and cash flow of parent company and subsidiary company.

② Offset the long-term equity investment of the parent company to the subsidiary

company and the share of the parent company in the ownership rights of the subsidiary company.

③ Offset the influence of internal transaction between parent company, subsidiary company and subsidiary company. If an internal transaction indicates that the relevant asset has suffered an impairment loss, the part of the loss shall be confirmed in full.

④ adjust the special transaction from the angle of enterprise group.

#### **(4) Processing of subsidiaries during the reporting period**

① Increase of subsidiaries or business

A. Subsidiary or business increased by business combination under the same control

(A) When preparing the consolidated balance sheet, adjust the opening number of the consolidated balance sheet and adjust the related items of the comparative statement. The same report entity as the consolidated balance sheet will exist from the time of the final control party.

(B) When preparing the consolidated cash flow statement, the cash flows of the subsidiary and the business combination from the beginning of the current period to the end of the reporting period are included in the consolidated cash flow statement, and the related items of the comparative statement are adjusted, which is regarded as the combined report body since the final The controller has been there since the beginning of control.

(C) When preparing the consolidated cash flow statement, the cash flows of the subsidiary and the business combination from the beginning of the current period to the end of the reporting period are included in the consolidated cash flow statement, and the related items of the comparative statement are adjusted, which is regarded as the combined report body since the final The controller has been there since the beginning of control.

B. Subsidiary or business increased by business combination under the same control

(A) When preparing the consolidated balance sheet, the opening number of the consolidated balance sheet is not adjusted.

(B) When preparing the consolidated profit statement, the income, expense and profit of the subsidiary company and the business Purchase date and Closing balance shall be included in the consolidated profit statement.

(C) When the consolidated cash flow statement is prepared, the cash flow from the purchase date of the subsidiary to the end of the reporting period is included in the consolidated cash flow statement.

② Disposal of subsidiaries or business

A. When preparing the consolidated balance sheet, the opening number of the consolidated balance sheet is not adjusted.

B. When preparing the consolidated profit statement, the income, expense and profit of the subsidiary company and the business opening and disposal date shall be included in the consolidated profit statement.

C. When the consolidated cash flow statement is prepared, the cash flow from the Beginning of the period of the subsidiary to the end of the reporting period is included in the consolidated cash flow statement.

**(5) Special considerations in consolidation offsets**

① The long-term equity investment held by a subsidiary company shall be regarded as the inventory shares of the company as a subtraction of the owner's rights and interests, which shall be listed under the item of "subtraction: Stock shares" under the item of owner's rights and interests in the consolidated balance sheet.

The long-term equity investments held by the subsidiaries are offset by the shares of the shareholders of the subsidiaries.

② The "special reserve" and "general risk preparation" projects, because they are neither real capital (or share capital) nor capital reserve, but also different from the retained income and undistributed profits, are restored according to the ownership of the parent company after the long-term equity investment is offset by the ownership rights and interests of the subsidiary company.

③ If there is a temporary difference between the book value of assets and liabilities in the consolidated balance sheet and the taxable basis of the taxpayer due to the offset of the unrealized internal sales gain or loss, the deferred income tax asset or the deferred income tax liability is confirmed in the consolidated balance sheet, and the income tax expense in the consolidated profit statement is adjusted, with the exception of the deferred income tax related to the transaction or event directly included in the owner's equity and the merger of the

enterprise.

④ The unrealized internal transaction gains and losses incurred by the company from selling assets to subsidiaries shall be fully offset against the "net profit attributable to the owners of the parent company". The unrealized internal transaction gains and losses arising from the sale of assets by the subsidiary to the Company shall be offset between the "net profit attributable to the owners of the parent company" and the "minority shareholder gains and losses" in accordance with the Company's distribution ratio to the subsidiary. The unrealized internal transaction gains and losses arising from the sale of assets between subsidiaries shall be offset between the "net profit attributable to the owners of the parent company" and the "minority shareholders' gains and losses" in accordance with the Company's distribution ratio to the seller's subsidiary .

⑤ If the current loss shared by the minority shareholders of the subsidiary exceeds the share of the minority shareholders in the owner 's equity of the subsidiary at the beginning of the period, the balance should still be offset against the minority shareholders 'equity.

#### **(6) Accounting treatment of special transactions**

##### **① Purchase minority shareholders' equity**

The Company purchases the shares of the subsidiaries owned by the minority shareholders of the subsidiaries. In the individual financial statements, the investment costs of the newly acquired long-term investments of the minority shares shall be measured at the fair value of the price paid. In the consolidated financial statements, the difference between the newly acquired long-term equity investment due to the purchase of minority equity and the share of net assets that should be continuously calculated by the subsidiary since the purchase date or the merger date should be adjusted according to the new shareholding ratio. The product (capital premium or equity premium), if the capital reserve is insufficient to offset, the surplus reserve and undistributed profits are offset in turn.

##### **② Step-by-step acquisition of control of the subsidiary through multiple transactions**

###### **A. Enterprise merger under common control through multiple transactions**

On the date of the merger, the Company determines the initial investment cost of the long-term equity investment in the individual financial statements based on the share of the subsidiary 's net assets that should be enjoyed after the merger in the final controller 's

consolidated financial statements; the initial investment cost and the The difference between the book value of the long-term equity investment before the merger plus the book value of the consideration paid for new shares acquired on the merger date, the capital reserve (capital premium or equity premium) is adjusted, and the capital reserve (capital premium or equity premium) is insufficient to offset Reduced, in turn offset the surplus reserve and undistributed profits.

In consolidated financial statements, assets and liabilities obtained by the merging party from the merged party should be measured at the book value in the final controlling party's consolidated financial statements other than the adjustment made due to differences in accounting policies; adjust the capital surplus (share premium) according to the difference between the initial investment cost and the book value of the held investment before merger plus the book value of the consideration paid on the merger date. Where the capital surplus falls short, the retained income should be adjusted.

Before the acquirer obtains control of the acquiree, any recognized gains and losses, other comprehensive income, and changes in other owners' equity related to the equity investment held by the acquirer from the later of the date when the original equity was obtained or the date when both the acquirer and the acquiree were under the control of the same party until the acquisition date should be adjusted against the beginning retained earnings or the current profits and losses of the comparative statements separately.

#### A. Enterprise merger under common control through multiple transactions

On the merger day, in individual financial statements, the initial investment cost of the long-term equity investment on the merger day is based on the book value of the long-term equity investment previously held plus the sum of the additional investment costs on the merger day.

In the consolidated financial statements, the equity held in the acquiree before the acquisition date is remeasured at its fair value on the acquisition date. If the equity held before the acquisition date is designated as a financial asset measured at fair value through other comprehensive income, the difference between the fair value and its book value is included in retained earnings, and the cumulative fair value changes previously included in other comprehensive income are transferred to retained earnings. If the equity held before the acquisition date is designated as a financial asset measured at fair value through profit or loss

or as a long-term equity investment accounted for by the equity method, the difference between the fair value and its book value is included in the current period's investment income. For other comprehensive income and other changes in owners' equity under the equity method related to the equity held before the acquisition date, the related other comprehensive income is accounted for on the same basis as if the investee had directly disposed of the related assets or liabilities on the acquisition date, and the related other changes in owners' equity are transferred to the current period's investment income on the acquisition date.

(3) The Company disposes of long-term equity investment in subsidiaries without losing control

The parent company partially disposes of the long-term equity investment in the subsidiary company without losing control. In the consolidated financial statements, the disposal price corresponds to the disposal of the long-term equity investment. The difference between the shares is adjusted for the capital reserve (capital premium or equity premium). If the capital reserve is insufficient to offset, the retained earnings are adjusted.

④ The company disposes of long-term equity investment in subsidiaries and loses control

A. One transaction disposition

If the Company loses control over the Invested Party due to the disposal of part of the equity investment, it shall remeasure the remaining equity according to its fair value at the date of loss of control when compiling the consolidated financial statement. The consideration received from the disposal of equity plus the fair value of the remaining equity, minus the share of net assets and goodwill calculated based on the original shareholding ratio from the acquisition date or combination date to the disposal date, is included in the investment income for the period in which control is lost.

Other comprehensive income related to equity investments in former subsidiaries is accounted for, upon loss of control, on the same basis as if the related assets or liabilities of the former subsidiary were directly disposed of. Other changes in owners' equity related to former subsidiaries that were previously recognized under the equity method are reclassified to profit or loss in the period in which control is lost.

B. Multi-transaction step-by-step disposition

In consolidated financial statements, you should first determine whether a step-by-step transaction is a "blanket transaction".

If the step-by-step transaction does not belong to a "package deal", in the individual financial statements, for each transaction before the loss of control of the subsidiary, the book value of the long-term equity investment corresponding to each disposal of equity is carried forward, the price received and the disposal. The difference between the book value of the long-term equity investment is included in the current investment income; in the consolidated financial statements, it should be handled in accordance with the relevant provisions of "the parent company disposes of the long-term equity investment in the subsidiary without losing control."

If a step-by-step transaction belongs to a "blanket transaction", the transaction shall be treated as a transaction that disposes of the subsidiary and loses control; In individual financial statements, the difference between each disposal price before the loss of control and the book value of the long-term equity investment corresponding to the equity being disposed of is first recognized as other consolidated gains and then converted to the current loss of control at the time of the loss of control; In the consolidated financial statements, for each transaction prior to the loss of control, the difference between the disposition of the price and the disposition of the investment corresponding to the share in the net assets of the subsidiary shall be recognized as other consolidated gains and shall, at the time of the loss of control, be transferred to the loss of control for the current period.

Where the terms, conditions, and economic impact of each transaction meet one or more of the following conditions, usually multiple transactions are treated as a "package deal":

(a) These transactions were concluded at the same time or in consideration of mutual influence.

(b) These transactions can only achieve the business result as a whole;

(c) The effectiveness of one transaction depends the occurrence of at least another transaction;

(d) A single transaction is not economic and is economic when considered together with other transactions.

(5) Proportion of minority shareholders in factor companies who increase capital and

dilute ownership of parent companies

Proportion of Others ( minority shareholders in factor companies who increase capital , dilute Subsidiaries of parent companies. In the consolidated financial statements, the share of the parent company in the net book assets of the former subsidiary of the capital increase is calculated according to the share ratio of the parent company before the capital increase, the difference between the share and the net book assets of the latter subsidiary after the capital increase is calculated according to the share ratio of the parent company, the capital reserve (capital premium or capital premium), the capital reserve (capital premium or capital premium) is not offset, and the retained income is adjusted.

## **8. Classification of Joint Arrangements and Accounting Policies for Joint Operations**

A joint arrangement is an arrangement jointly controlled by two or more participants. The Company classifies its joint arrangements into joint operations and joint ventures.

### **(1) Joint Operations**

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

The Company recognizes the following items relating to its interest in a joint operation and accounts for them in accordance with the relevant enterprise accounting standards:

- ① Recognizes assets held separately, as well as its share of jointly held assets;
- ② Recognizes liabilities borne separately, as well as its share of jointly borne liabilities;
- ③ Recognizes revenue from the sale of its share of output from the joint operation;
- ④ Recognizes its share of revenue generated by the joint operation from the sale of output;
- ⑤ Recognizes expenses incurred separately, as well as its share of expenses incurred by the joint operation.

### **(2) Joint Ventures**

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

The Company accounts for its investment in joint ventures using the equity method in accordance with the relevant provisions on long-term equity investments.

### **9. Recognition of cash and cash equivalents**

Cash refers to cash in stock and deposits that can be used for payment at any time. Cash equivalents refer to investments with a short holding period (generally referring to expiry within three months from the date of purchase), strong liquidity, easy to convert to a known amount of cash, and little risk of value change.

### **10. Foreign exchange business and foreign exchange statement translation**

#### **(1) Methods for determining conversion rates in foreign currency transactions**

The Company translates foreign currency transactions into the functional currency at the initial recognition using the spot exchange rate on the transaction date or an approximate exchange rate that is determined according to a reasonable method and is close to the spot exchange rate on the transaction date. The resulting amount is recorded in the accounting currency.

#### **(2) Methods of conversion of foreign currency currency items on balance sheet days**

At the balance sheet date, foreign currency items are translated on the spot exchange rate of the balance sheet date. The exchange differences caused by the difference in exchange rates on the balance sheet date and initial recognizing date or previous balance sheet date are included in the current profits and losses. For non-monetary items measured at historical cost in foreign currencies, they are translated using the spot exchange rate on the transaction date. For inventories measured at the lower of cost and net realizable value, if the inventories were purchased in foreign currencies and their net realizable value is reflected in foreign currencies as of the balance sheet date, the net realizable value is first translated into the functional currency at the spot exchange rate on the balance sheet date, and then compared with the inventory cost reflected in the functional currency to determine the ending value of the inventories. Non-monetary items measured at fair value in foreign currencies are translated using the spot exchange rate on the date the fair value is determined. For financial assets measured at fair value with changes recognized in the current period's profit or loss, the difference between the translated amount in the functional currency and the original amount in the functional currency is recognized in the current period's profit or loss. For non-trading

equity investments designated to be measured at fair value with changes recognized in other comprehensive income, the difference between the translated amount in the functional currency and the original amount in the functional currency is recognized in other comprehensive income.

### **(3) Translation of foreign exchange statements**

Prior to the conversion of the financial statements of an enterprise's overseas operations, the accounting period and policy of the overseas operations should be adjusted to conform to the accounting period and policy of the enterprise. The financial statements of the corresponding currency (other than the functional currency) should be prepared according to the adjusted accounting policy and the accounting period. The financial statements of the overseas operations should be converted according to the following methods:

① The assets and liabilities items in the balance sheet are translated at the spot exchange rate on the balance sheet date. Except for the "undistributed profits" items, the owner's equity items are translated at the spot exchange rate when they occur.

② The income and expense items in the profit statement are converted at the spot exchange rate on the transaction date or the approximate exchange rate of the spot exchange rate.

③ The foreign currency cash flow and the foreign subsidiary's cash flow are converted using the immediate exchange rate or the approximate exchange rate at the date of the cash flow. The impact of exchange rate changes on cash should be used as an adjustment item and presented separately in the cash flow statement.

④ The foreign currency translation differences arising are presented under the "Other Comprehensive Income" item in the shareholders' equity section of the consolidated balance sheet when preparing the consolidated financial statements.

When foreign operations are disposed of and the control rights are lost, the difference in foreign currency statements related to the overseas operations that are listed in the shareholders' equity items in the balance sheet is transferred to the profit or loss for the current period, either in whole or in proportion to the disposal of the foreign operations.

## **11. Financial instrument**

Financial instrument refers to a company's financial assets and contracts that form other

units of financial liabilities or equity instruments.

### **(1) Recognition and de-recognition of financial instrument**

The Company recognizes a financial asset or liability when it becomes one party in the financial instrument contract.

Financial asset is derecognized when:

- ① The contractual right to receive the cash flows of the financial assets is terminated;
- ② The financial asset is transferred and meets the following derecognition condition.

If the current obligation of a financial liability (or part of it) has been discharged, the Company derecognises the financial liability (or part of the financial liability). When the Company (borrower) and lender enter into an agreement to replace the original financial liabilities by undertaking new financial liabilities and the contract terms for the new financial liabilities are essentially different from those for the original one, the original financial liabilities will be derecognized and new financial liabilities will be recognized. Where the Company makes substantial amendments to the contract terms of the original financial liability (or part thereof), it shall terminate the original financial liability and confirm a new financial liability in accordance with the amended terms.

Financial asset transactions in regular ways are recognized and de-recognized on the transaction date. The conventional sale of financial assets means the delivery of financial assets in accordance with the contractual terms and conditions, at the time set out in the regulations or market practices. Transaction date refers to the date when the Company promises to buy or sell financial assets.

### **(2) Classification and subsequent measurement of financial assets**

At initial recognition, the Company classifies financial assets into the following three categories based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost are measured at fair value and their changes are included in other financial assets with current profit and loss and financial assets measured at fair value through profit or loss. Unless the Company changes the business model for managing financial assets, in this case, all affected financial assets are reclassified on the first day of the first reporting period after the business model changes, otherwise the financial assets may not be initially confirmed.

Financial assets are measured at the fair value at the initial recognition. For financial assets measured at fair value with variations accounted into current income account, related transaction expenses are accounted into the current income. For other financial assets, the related transaction expenses are accounted into the initial recognized amounts. Bills receivable and accounts receivable arising from the sale of commodities or the provision of labor services that do not contain or do not consider significant financing components, the Company performs initial measurement according to the transaction price defined by the income standard.

The subsequent measurement of financial assets depends on their classification:

① Financial assets measured at amortized cost

Financial assets that meet the following conditions at the same time are classified as financial assets measured at amortized cost: The Company's business model for managing this financial asset is to collect contractual cash flows as its goal; the contract terms of the financial asset stipulate that Cash flow is only the payment of principal and interest based on the outstanding principal amount. For such financial assets, the actual interest rate method is used for subsequent measurement according to the amortized cost. The gains or losses arising from the termination of recognition, amortization or impairment based on the actual interest rate method are included in the current profit and loss.

② Financial assets measured at fair value and whose changes are included in other comprehensive income

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value and their changes are included in other comprehensive income: The Company's business model for managing this financial asset is to both target the collection of contractual cash flows and the sale of financial assets. Objective; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal amount. For such financial assets, fair value is used for subsequent measurement. Except for impairment losses or gains and exchange gains and losses recognized as current gains and losses, changes in the fair value of such financial assets are recognized as other comprehensive income. Until the financial asset is derecognized, its accumulated gains or losses are transferred to current gains and losses. However, the relevant interest income of the financial asset calculated by the

actual interest rate method is included in the current profit and loss.

The Company irrevocably chooses to designate a portion of non-tradable equity instrument investment as a financial asset measured at fair value and whose variation is included in other consolidated income. Only the relevant dividend income is included in the current profit and loss, and the variation of fair value is recognized as other consolidated income.

③ Financial assets measured at fair value with variations accounted into current income account

The above financial assets measured at amortized cost and other financial assets measured at fair value and whose changes are included in other comprehensive income are classified as financial assets measured at fair value and whose changes are included in the current profit and loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are included in current profit and loss.

### **(3) Classification and measurement of financial liabilities**

The Company classifies financial liabilities into financial liabilities measured at fair value and their changes included in the current profit and loss, loan commitments and financial guarantee contract liabilities for loans below market interest rates, and financial liabilities measured at amortized cost.

The subsequent measurement of financial liabilities depends on their classification:

① Financial liabilities measured at fair value with variations accounted into current income account

Such financial liabilities include transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. After the initial recognition, the financial liabilities are subsequently measured at fair value. Except for the hedge accounting, the gains or losses (including interest expenses) are recognized in profit or loss. However, for the financial liabilities designated as fair value and whose variations are included in the profits and losses of the current period, the variable amount of the fair value of the financial liability due to the variation of credit risk of the financial liability shall be included in the other consolidated income. When the financial liability is terminated, the cumulative gains and losses previously included in the other

consolidated income shall be transferred out of the other consolidated income and shall be included in the retained income.

② Loan commitments and financial security contractual liabilities

A loan commitment is a promise that the Company provides to customers to issue loans to customers with established contract terms within the commitment period. Loan commitments are provided for impairment losses based on the expected credit loss model.

A financial guarantee contract refers to a contract that requires the Company to pay a specific amount of compensation to the contract holder who suffered a loss when a specific debtor is unable to repay the debt in accordance with the original or modified debt instrument terms. Financial guarantee contract liabilities are subsequently measured based on the higher of the loss reserve amount determined in accordance with the principle of impairment of financial instruments and the initial recognition amount after deducting the accumulated amortization amount determined in accordance with the revenue recognition principle.

③ Financial liabilities measured at amortized cost

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

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

① If the Company cannot unconditionally avoid delivering cash or other financial assets to fulfill a contractual obligation, the contractual obligation meets the definition of financial liability. While some financial instruments do not explicitly contain terms and conditions for the delivery of cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions.

If a financial instrument is required to be settled with or can be settled with the Company's own equity instruments, the Company's own equity instrument used to settle the instrument needs to be considered as a substitute for cash or other financial assets or for the holder of the instrument to enjoy the remaining equity in the assets after all liabilities are deducted. If it is the former, the instrument is the financial liabilities of the issuer; if it is the latter, the instrument is the equity instrument of the issuer. In some cases, a financial instrument contract provides that the Company shall or may use its own instrument of interest,

in which the amount of a contractual right or obligation is equal to the amount of the instrument of its own interest which may be acquired or delivered multiplied by its fair value at the time of settlement, whether the amount of the contractual right or obligation is fixed or is based entirely or in part on a variation of a variable other than the market price of the instrument of its own interest, such as the rate of interest, the price of a commodity or the price of a financial instrument, the contract is classified as a financial liability.

#### **(4) Derivative financial instruments and embedded derivatives**

Derivative financial instruments are initially measured at the fair value of the day when the derivative transaction contract is signed, and are subsequently measured at their fair values. Derivative financial instruments with a positive fair value are recognized as asset, and instruments with a negative fair value are recognized as liabilities.

The gains and losses arising from the change in fair value of derivatives are directly included in the profits and losses of the current period, except that the part of the cash flow that is valid in the hedge is included in the other consolidated income and transferred out when the hedged item affects the gain and loss of the current period.

For a hybrid instrument containing an embedded derivative instrument, if the principal contract is a financial asset, the hybrid instrument as a whole applies the relevant provisions of the financial asset classification. If the main contract is not a financial asset, and the hybrid instrument is not measured at fair value and its changes are included in the current profit and loss for accounting, the embedded derivative does not have a close relationship with the main contract in terms of economic characteristics and risks, and it is If the instruments with the same conditions and exist separately meet the definition of derivative instruments, the embedded derivative instruments are separated from the mixed instruments and treated as separate derivative financial instruments. If the fair value of the embedded derivative on the acquisition date or the subsequent balance sheet date cannot be measured separately, the hybrid instrument as a whole is designated as a financial asset or financial liability measured at fair value and whose changes are included in the current profit or loss.

#### **(5) Financial instrument Less**

The Company shall confirm the preparation for loss on the basis of expected credit loss for financial assets measured at amortization costs, creditor's rights investments measured at fair value, contractual assets, leasing receivables, loan commitments and financial guarantee

contracts, etc.

① Measurement of expected credit losses of accounts receivable

The expected credit loss refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable from the contract and all cash flows expected to be received by the Company at the original actual interest rate, that is, the present value of all cash shortages. Among them, the financial assets which have been purchased or born by the Company shall be discounted according to the actual rate of credit adjustment of the financial assets.

The expected lifetime credit loss is the expected credit loss due to all possible default events during the entire expected life of the financial instrument.

Expected credit losses in the next 12 months are expected to result from possible defaults in financial instruments within 12 months after the balance sheet date (or estimated duration of financial instruments if the expected duration is less than 12 months) Credit losses are part of the expected lifetime credit loss.

On each balance sheet day, the Company measures the expected credit losses of financial instruments at different stages. Where the credit risk has not increased significantly since the initial confirmation of the financial instrument, it is in the first stage. The Company measures the preparation for loss according to the expected credit loss in the next 12 months. Where the credit risk has increased significantly since the initial confirmation but the credit impairment has not occurred, the financial instrument is in the second stage. Where a credit impairment has occurred since the initial confirmation of the financial instrument, it shall be in the third stage, and the Company shall prepare for measuring the expected credit loss of the whole survival period of the instrument.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that the credit risk has not increased significantly since the initial recognition, and measures the loss provision based on the expected credit losses in the next 12 months.

For financial instruments that are in the first and second stages and with lower credit risk, the Company calculates interest income based on their book balances and actual interest rates without deduction for impairment provision. For financial instruments in the third stage, interest income is calculated based on the amortized cost and the actual interest rate after the

book balance minus the provision for impairment.

Regarding bills receivable, accounts receivable and financing receivables, regardless of whether there is a significant financing component, the Company measures the loss provision based on the expected credit losses throughout the duration.

Accounts receivable/contract assets

**Applicable from December 1, 2025**

Where there is objective evidence of impairment, as well as other receivable instruments, receivables, other receivables, receivables financing and long-term receivables applicable to individual assessments, separate impairment tests are performed to confirm expected credit losses and prepare individual impairment. For notes receivable, accounts receivable, other receivables, financing of receivables, long-term receivables, and contract assets for which there is no objective evidence of impairment, or when individual financial assets cannot be assessed at a reasonable cost, the Company divides bills receivable, accounts receivable, other receivables, receivable financing, long-term receivables, and contract assets into several combinations based on credit risk characteristics, and calculates expected credit losses on the basis of the combination. The basis for determining the combination is as follows:

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

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

Notes Receivable Combination 1 Commercial Acceptance Bill

Notes Receivable Combination 2 Bank Acceptance Bill

For Notes receivable divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

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

Accounts Receivable Portfolio 1: Receivables from curtain wall business

Accounts Receivable Portfolio 2: Receivables from platform screen door business

Accounts Receivable Portfolio 3: Receivables from new materials business

Accounts Receivable Portfolio 4: Receivables from new energy business

Accounts Receivable Portfolio 5: Receivables from commercial real estate and others

Other receivable portfolio 6 Receivables from related parties within the scope of consolidation

For the accounts receivable divided into a combination, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of the future economic situation, compiles the account receivable age and the whole expected credit loss rate table, and calculates the expected credit loss.

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

Other receivable portfolio 1 Interest receivable

Portfolio of other receivables 2 Dividends receivable

Other combinations of receivables 3 Deposit and margin receivable

Other receivable portfolio 4 Receivable advances

Combination of other receivables 5 Value-added tax receivable is increased and refunded

Other receivable portfolio 6 Receivables from related parties within the scope of consolidation

Other receivables portfolio 7 Other receivables

For other receivables divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

The basis for determining the combination of receivables financing is as follows:

Receivables financing portfolio 1 bank acceptance bill

For Notes receivable divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

The basis for determining the portfolio of contract assets is as follows:

Contract assets portfolio 1 conditional collection right of sales

Contract assets portfolio 2 Completed and unsettled project not meeting collection conditions

Contract assets portfolio 3 Quality guarantee deposit not meeting collection conditions

For contract assets divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

**Applicable on and before November 30, 2025**

Where there is objective evidence of impairment, as well as other receivable instruments, receivables, other receivables, receivables financing and long-term receivables applicable to individual assessments, separate impairment tests are performed to confirm expected credit losses and prepare individual impairment. For notes receivable, accounts receivable, other receivables, financing of receivables, long-term receivables, and contract assets for which there is no objective evidence of impairment, or when individual financial assets cannot be assessed at a reasonable cost, the Company divides bills receivable, accounts receivable, other receivables, receivable financing, long-term receivables, and contract assets into several combinations based on credit risk characteristics, and calculates expected credit losses on the basis of the combination. The basis for determining the combination is as follows:

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

Notes Receivable Combination 1 Commercial Acceptance Bill

Notes Receivable Combination 2 Bank Acceptance Bill

For Notes receivable divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

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

Accounts receivable combination 1 Accounts receivable business

Accounts receivable combination 2 Real estate receivable business

Accounts receivable combination 3 Others receivable business

Other receivable portfolio 4 Receivables from related parties within the scope of consolidation

For the accounts receivable divided into a combination, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of the future economic situation, compiles the account receivable age and the whole expected credit loss rate table, and calculates the expected credit loss.

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

Other receivable portfolio 1 Interest receivable

Portfolio of other receivables 2 Dividends receivable

Other combinations of receivables 3 Deposit and margin receivable

Other receivable portfolio 4 Receivable advances

Combination of other receivables 5 Value-added tax receivable is increased and refunded

Other receivable portfolio 6 Receivables from related parties within the scope of consolidation

Other receivables portfolio 7 Other receivables

For other receivables divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

The basis for determining the combination of receivables financing is as follows:

Receivables financing portfolio 1 bank acceptance bill

For Notes receivable divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

The basis for determining the portfolio of contract assets is as follows:

Contract assets portfolio 1 conditional collection right of sales

Contract assets portfolio 2 Completed and unsettled project not meeting collection

conditions

Contract assets portfolio 3 Quality guarantee deposit not meeting collection conditions

For contract assets divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

Other debt investment

For other receivables divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

② Lower credit risk

If the risk of default on financial instruments is low, the borrower's ability to meet its contractual cash flow obligations in the short term is strong, and even if the economic situation and operating environment are adversely changed over a long period of time, it may not necessarily reduce the receivables' performance of their contractual cash. The ability of the flow obligation, the financial instrument is considered to have a lower credit risk.

③ Significant increase in credit risk

The Company compares the default probability of the financial instrument during the expected lifetime determined by the balance sheet date with the default probability of the expected lifetime during the initial confirmation to determine the relative probability of the default probability of the financial instrument during the expected lifetime Changes to assess whether the credit risk of financial instruments has increased significantly since initial recognition.

In determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and evidenced information, including forward-looking information, that can be obtained without unnecessary additional costs or effort. The information considered by the Company includes:

A. Significant changes in internal price indicators resulting from changes in credit risk;

B. Adverse changes in business, financial or economic conditions that are expected to cause significant changes in the debtor's ability to perform its debt service obligations;

C. Whether the actual or expected operating results of the debtor have changed significantly; whether the regulatory, economic or technical environment of the debtor has undergone significant adverse changes;

D. Whether there is a significant change in the value of the collateral used as debt collateral or the guarantee provided by a third party or the quality of credit enhancement. These changes are expected to reduce the debtor's economic motivation for repayment within the time limit specified in the contract or affect the probability of default;

E. Whether there is a significant change in the economic motivation that is expected to reduce the debtor's repayment according to the contractual deadline;

F. Anticipated changes to the loan contract, including whether the expected violation of the contract may result in the exemption or revision of contract obligations, granting interest-free periods, rising interest rates, requiring additional collateral or guarantees, or making other changes to the contractual framework of financial instruments change;

G. Whether the expected performance and repayment behavior of the debtor has changed significantly;

H. Whether the contract payment is overdue for more than (including) 30 days.

Based on the nature of financial instruments, the Company assesses whether credit risk has increased significantly on the basis of a single financial instrument or combination of financial instruments. When conducting an assessment based on a combination of financial instruments, the Company can classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings.

If the overdue period exceeds 30 days, the Company has determined that the credit risk of financial instruments has increased significantly. Unless the Company does not have to pay excessive costs or efforts to obtain reasonable and warranted information, it proves that although it has exceeded the time limit of 30 days agreed upon in the Contract, credit risks have not increased significantly since the initial confirmation.

#### ④ Financial assets with credit impairment

The Company assesses on the balance sheet date whether financial assets measured at

amortized cost and credit investments measured at fair value and whose changes are included in other comprehensive income have undergone credit impairment. When one or more events that adversely affect the expected future cash flows of a financial asset occur, the financial asset becomes a financial asset that has suffered a credit impairment. Evidence that credit impairment has occurred in financial assets includes the following observable information:

Major financial difficulties have occurred to the issuer or the debtor; Breach of contract by the debtor, such as payment of interest or default or overdue of principal; (B) The concession that the debtor would not make under any other circumstances for economic or contractual considerations relating to the financial difficulties of the debtor; The debtor is likely to be bankrupt or undertake other financial restructuring; The financial difficulties of the issuer or debtor lead to the disappearance of the active market for the financial asset; To purchase or generate a financial asset at a substantial discount, which reflects the fact that a credit loss has occurred.

⑤ Presentation of expected credit loss measurement

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Company re-measures the expected credit losses on each balance sheet date, and the increase or reversal of the loss provision resulting therefrom is included as an impairment loss or gain. Current profit and loss. For financial assets measured at amortized cost, the loss allowance offsets the book value of the financial asset listed on the balance sheet; for debt investments measured at fair value and whose changes are included in other comprehensive income, the Company Recognition of its loss provisions in gains does not offset the book value of the financial asset.

⑥ Cancellation

If it is no longer reasonably expected that the contract cash flow of the financial assets will be fully or partially recovered, the book balance of the financial assets will be directly reduced. Such write-off constitute the derecognition of related financial assets. This usually occurs when the Company determines that the debtor has no assets or sources of income that generate sufficient cash flow to cover the amount that will be written down.

If the financial assets that have been written down are recovered in the future, the reversal of the impairment loss is included in the profit or loss of the current period.

## **(6) Transfer of financial assets**

The transfer of financial assets refers to the following two situations:

A. Transfer the contractual right to receive cash flow of financial assets to another party;

B. Transfers the financial assets to the other party in whole or in part, but reserves the contractual right to collect the cash flow of the financial assets and undertakes the contractual obligation to pay the collected cash flow to one or more recipients.

### **① De-identification of transferred financial assets**

Those who have transferred almost all risks and rewards in the ownership of financial assets to the transferee, or have neither transferred nor retained almost all the risks and rewards in the ownership of financial assets, but have given up control of the financial assets, terminate the confirmation The financial asset.

In determining whether control over the transferred financial asset has been waived, the actual capacity of the transferor to sell the financial asset is determined. If the transferor is able to sell the transferred financial assets wholly to a third party that does not have a relationship with them, and has no additional conditions to limit the sale, it indicates the Company has waived control over the financial assets.

The Company pays attention to the essence of financial asset transfer when judging whether financial asset transfer meets the condition of financial asset termination.

If the overall transfer of financial assets meets the conditions for termination of confirmation, the difference between the following two amounts is included in the current profit and loss:

A. Continuing identification of transferred Book value;

B. The sum of the amount received as a result of the transfer and the amount accrued as a result of the change in the fair value of the transfer in respect of the termination recognized portion of the amount previously charged directly to the other consolidated proceeds (the financial assets involved in the transfer are those classified in accordance with Article 18 of Enterprise Accounting Standard No. 22 - Financial Instruments Recognition and Measurement as measured by the fair value and whose change is charged to the other consolidated proceeds).

If the partial transfer of financial assets meets the conditions for derecognition, the book value of the entire transferred financial assets will be included in the derecognized part and the unexpired part (in this case, the retained service assets are regarded as part of the continued recognition of financial assets). Between them, they are apportioned according to their respective relative fair values on the transfer date, and the difference between the following two amounts is included in the current profit and loss:

A. Termination of the book value of the recognized portion on the date of derecognition;

B. The sum of the amount received as a result of the transfer and the amount accrued as a result of the change in the fair value of the transfer in respect of the termination recognized portion of the amount previously charged to the other consolidated proceeds (the financial assets involved in the transfer are those classified in accordance with Article 18 of Enterprise Accounting Standard No. 22 - Financial Instruments Recognition and Measurement as measured by the fair value and whose change is charged to the other consolidated proceeds).

② Continue to be involved in the transferred financial assets

If neither transfer nor retain almost all the risks and rewards of the ownership of financial assets, and have not given up control of the financial assets, the relevant financial assets should be confirmed according to the extent of their continued involvement in the transferred financial assets, and the relevant liabilities should be recognized accordingly.

The extent to which the transferred financial assets continue to be involved refers to the extent to which the enterprise undertakes the risk or compensation of the value change of the transferred financial assets.

③ Continuing identification of transferred financial assets

Where almost all risks and remuneration in relation to ownership of the transferred financial assets are retained, the whole of the transferred financial assets shall continue to be recognized and the consideration received shall be recognized as a financial liability.

The financial asset and the recognized related financial liabilities shall not offset each other. In the subsequent accounting period, the enterprise shall continue to recognize the income (or gain) generated by the financial asset and the costs (or losses) incurred by the financial liability.

### **(7) Deduction of financial assets and liabilities**

Financial assets and financial liabilities should be listed separately in the balance sheet, and cannot be offset against each other. However, if the following conditions are met, the net amount offset by each other is listed in the balance sheet:

The Company has a statutory right to offset the confirmed amount, and such legal right is currently enforceable;

The Company plans to settle the net assets or realize the financial assets and liquidate the financial liabilities at the same time.

The transferring party shall not offset the transferred financial assets and related liabilities if it does not meet the conditions for terminating the recognition.

### **(8) Recognition of fair value of Finance instruments**

See Note III. 12 for the recognition of fair value of financial assets and liabilities.

## **12. Measurement at fair value**

Fair value refers to the amount of asset exchange or liabilities settlement by both transaction parties familiar with the situation in a fair deal on a voluntary basis.

The Company measures the fair value of related assets or liabilities at the prices in the main market. If there is no major market, the Company measures the fair value of the relevant assets or liabilities at the most favorable market prices. The Group uses assumptions that market participants use to maximize their economic benefits when pricing the asset or liability.

The main market refers to the market with the highest transaction volume and activity of the related assets or liabilities. The most favorable market means the market that can sell the related assets at the highest amount or transfer the related liabilities at the lowest amount after considering the transaction cost and transportation cost.

For financial assets or liabilities in an active market, The Company determines their fair value based on quotations in the active market. If there is no active market, the Company uses evaluation techniques to determine the fair value.

For the measurement of non-financial assets at fair value, the ability of market participants to use the assets for optimal purposes to generate economic benefits, or the ability

to sell the assets to other market participants that can be used for optimal purposes to generate economic benefits.

① Evaluation techniques

The Company adopts valuation techniques that are applicable in the current period and are supported by sufficient data and other information. The valuation techniques used mainly include market method, income method and cost method. The Company uses a method consistent with one or more of the valuation techniques to measure fair value. If multiple valuation techniques are used to measure fair value, the reasonableness of each valuation result shall be considered, and the fair value shall be selected as the most representative of fair value under the current circumstances. The amount of value is regarded as fair value.

The The Company equipment are applicable in the current circumstances and have sufficient available data and other information to support the use of the relevant observable input values prioritized. Unobservable input values are used only when the observable input value cannot be obtained or is not feasible. Observable input values are input values that can be obtained from market data. The Group uses assumptions that market participants use to maximize their economic benefits when pricing the asset or liability. Non-observable input values are input values that cannot be obtained from market data. The input value is obtained based on the best information available on assumptions used by market participants in pricing the relevant asset or liability.

②Fair value hierarchy

This company divides the input value used in fair value measurement into three levels, and first uses the first level input value, then uses the second level input value, and finally uses the third level input value. First level: quotation of same assets or liabilities in an active market (unadjusted) The second level input value is a directly or indirectly observable input value of the asset or liability in addition to the first level input value. The input value of the third level is the unobservable input value of the related asset or liability.

### **13. Inventory**

#### **(1) Classification of inventories**

Inventories refer to finished goods or merchandise held for sale in the ordinary course of business, work-in-process, and materials and supplies consumed in the production process or

during the rendering of services, including raw materials, work-in-process, semi-finished goods, finished goods, merchandise inventories, and reusable materials.

## **(2) Pricing of delivering inventory**

The Company measures inventories issued using the weighted average cost method.

The inventory of real estate business mainly includes inventory materials, development costs, development products, etc. The actual costs of development products include land transfer payment, infrastructure and facility costs, installation engineering costs, borrows before completion of the development and other costs during the development process. The special maintenance funds collected in the first period are included in the development overheads. When the control right of development products is transferred, the individual valuation method is used to determine its actual cost.

## **(3) Inventory system**

The Company inventory adopts the perpetual inventory system, counting at least once a year, the inventory profit and loss amount is included in the current year's profit and loss.

## **(4) Criteria for recognizing and providing for provision for decline in value of inventories**

On the balance sheet date, inventories are accounted depending on which is lower between the cost and the net realizable value. If the cost is higher than the net realizable value, the impairment provision will be made.

The realizable net value of inventory should be recognized based on solid evidence with the purpose of the inventory and after-balance-sheet-date events taken into consideration.

(1) In the course of normal production and operation, the net realizable value of finished goods, commodities and materials directly used for sale shall be determined by the estimated price of the inventory minus the estimated cost of sale and related taxes. The inventory held for the execution of a sales contract or a labor contract shall be measured on the basis of the contract price as its net realizable value; If the quantity held is greater than the quantity ordered under the sales contract, the net realizable value of the excess inventory is measured on the basis of the general sales price. For materials used for sale, the market price shall be used as the measurement basis for the net realizable value.

②In the normal production and operation process, the inventory of materials that need to

be processed is determined by the amount of the estimated selling price of the finished product minus the estimated cost to be incurred at the time of completion, estimated sales expenses and related taxes. Realize the net value. If the net realizable value of the finished product produced by it is higher than the cost, the material is measured at cost; If the decrease in the price of the material indicates that the net realizable value of the finished product is lower than the cost, the material is measured as the net realizable value and the inventory is prepared for a decrease based on its difference.

③ If the factors affecting the previous write-down of inventory value have disappeared on the balance sheet date, the amount of the write-down will be restored and transferred back within the amount of inventory depreciation reserve that has been accrued, and the amount returned will be included in the current profit and loss.

#### **(5) Methods of amortization of swing materials**

- ① Low-value consumables are amortized on on-off amortization basis at using.
- ② Packages are amortized on on-off amortization basis at using.

#### **14. Contract assets and contract liabilities**

The Company presents contract assets or liabilities in the balance sheet according to the relationship between performance obligation and customer payment. The consideration for which the Company is entitled to receive (subject to factors other than the passage of time) for the transfer of goods or the provision of services to customers is listed as contract assets. The Company's obligation to transfer goods or provide services to customers for consideration received or receivable from customers is listed as contractual liabilities.

The Company's determination method and accounting treatment method for the expected credit loss of contract assets are detailed in Note III 11.

Contract assets and contract liabilities are listed separately in the balance sheet. Contract assets and contract liabilities under the same contract are listed in net amount. If the net amount is the debit balance, it shall be listed in "contract assets" or "other non current assets" according to its liquidity; if the net amount is the credit balance, it shall be listed in "contract liabilities" or "other non current liabilities" according to its liquidity. Contract assets and contract liabilities under different contracts cannot offset each other.

#### **15. Contract costs**

Contract cost is divided into contract performance cost and contract acquisition cost.

The cost incurred by the Company in performing the contract shall be recognized as an asset when the following conditions are met simultaneously:

① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), clearly borne by the customer, and other costs incurred only due to the contract;

② This cost increases the Company's future resources for fulfilling its performance obligations.

③ The cost is expected to be recovered.

If the incremental cost incurred by the Company to obtain the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost.

The assets related to the contract cost shall be amortized on the same basis as the income from goods or services related to the assets; however, if the amortization period of the contract acquisition cost is less than one year, the Company shall include it in the current profit and loss when it occurs.

If the book value of the assets related to the contract cost is higher than the difference between the following two items, the Company will make provision for impairment for the excess part and recognize it as the loss of asset impairment, and further consider whether the estimated liabilities related to the loss contract should be made:

① The residual consideration expected to be obtained due to the transfer of goods or services related to the asset;

② The estimated cost to be incurred for the transfer of the relevant goods or services.

If the above provision for impairment of assets is subsequently reversed, the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date without provision for impairment.

The contract performance cost recognized as an asset with an amortization period of no more than one year or one normal business cycle at the time of initial recognition shall be listed in the "inventory" item, and the amortization period of no more than one year or one normal business cycle at the time of initial recognition shall be listed in the "other non current

assets" item.

The contract acquisition cost recognized as an asset shall be listed in the item of "other current assets" when the amortization period does not exceed one year or one normal business cycle at the time of initial recognition, and listed in the item of "other non current assets" when the amortization period exceeds one year or one normal business cycle at the time of initial recognition.

## **16. Long-term share equity investment**

The Group's long-term equity investment includes control on invested entities and significant impacts on equity investment. Invested entities on which the Group has significant impacts are associates of the Group.

### **(1) Basis for recognition of common control and major influence on invested entities**

Common control refers to the common control of an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement must be agreed upon by the participants who share control. In determining whether there is common control, the first step is to determine whether all or a group of participants collectively control the arrangement, which is considered collective control by all or a group of participants if all or a group of participants must act together to determine the activities associated with the arrangement. Secondly, it is judged whether the decision on related activities of the arrangement must be agreed by the participants who collectively control the arrangement. If there is a combination of two or more parties that can collectively control an arrangement, it does not constitute joint control. When judging whether there is joint control, the protective rights enjoyed are not considered.

Major influence refers to the power to participate in decision-making of financial and operation policies of a company, but cannot control or jointly control the making of the policies. When considering whether the Company can impose significant impacts on the invested entity, impacts of conversion of shares with voting rights held directly or indirectly by the investor and voting rights that can be executed in this period held by the investor and other party into shares of the invested entity should be considered.

If the Company directly or through subsidiaries holds more than 20% (inclusive) but less than 50% of the shares with voting rights of the invested entity, unless there is clear evidence

proving that the Company cannot participate the decision-making of production and operation of the invested entity, the Company has major influence on the invested entity.

## **(2) Recognition of initial investment costs**

① For long-term equity investments formed through business combinations, the investment cost is determined in accordance with the following provisions:

A. In the case of an enterprise merger under the same control, where the merging party makes a valuation of the merger by payment of cash, transfer of non-cash assets or undertaking liabilities, the share of the book value of the owner's interest in the final controlling party's consolidated financial statements as the initial investment cost of the long-term equity investment at the date of the merger. The difference between the initial investment cost of long-term equity investment and the cash paid, the transferred non-cash assets and the book value of the debt assumed shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted;

Long-term equity investment generated by enterprise merger: for long-term equity investment obtained by merger of enterprises under common control, the obtained share of book value of the interests of the merged party's owner in the consolidate financial statements on the merger date is costs; for long-term equity investment obtained by merger of enterprises not under common control, the merger cost is the investment cost. Adjust the capital reserve according to the difference between the initial investment cost of long-term equity investment and the total face value of the issued shares. If the capital reserve is insufficient to offset or reduce, the retained income shall be adjusted;

For merger of entities under different control, the merger cost is the fair value of the asset paid, liability undertaken, and equity securities issued for exchanging of control power over the entities at the day of acquisition. Agency expenses and other administrative expenses such as auditing, legal consulting, or appraisal services occurred relating to the merger of entities are accounted into current income account when occurred.

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

For long-term equity investment obtained by cash, the actually paid consideration is the initial investment cost. Initial investment costs include expenses, taxes and other necessary

expenditures directly related to the acquisition of long-term equity investments;

B. Long-term equity investments acquired from the issuance of interest securities are the initial investment costs based on the fair value of the issue interest securities;

C. For long-term equity investments obtained through non-monetary asset exchanges, if the exchange has commercial substance and the fair value of the exchanged assets or exchanged assets can be reliably measured, the fair value of the exchanged assets and relevant taxes shall be used as the initial Investment cost, the difference between the fair value and book value of the swapped-out asset is included in the current profit and loss; if the non-monetary asset exchange does not meet the above two conditions at the same time, the book value of the swapped-out asset and relevant taxes will be used as the initial investment cost.

D. Long-term equity investments acquired through debt restructuring determine their recorded value at the fair value of the waived claims and other costs such as taxes directly attributable to the assets and account for the difference between the fair value and the book value of the waived claims.

### **(3) Subsequent measurement and recognition of gain/loss**

The Company uses the cost method to measure long-term share equity investment in which the Company can control the invested entity; and uses the equity method to measure long-term share equity investment in which the Company has substantial influence on the invested entity.

#### **① Cost method**

For the long-term equity investment measured on the cost basis, except for the announced cash dividend or profit included in the practical cost or price when the investment was made, the cash dividends or profit distributed by the invested entity are recognized as investment gains in the current gain/loss account.

#### **② Equity method**

Gains from long-term equity investment measured by equity

When the equity method is used to measure long-term equity investment, the investment cost will not be adjusted if the investment cost of the long-term equity investment is larger than the share of fair value of the recognizable assets of the invested entity. When it is smaller

than the share of fair value of the recognizable assets of the invested entity, the book value will be adjusted and the difference is included in the current gains of the investment.

When the equity method is used, the current investment gain is the share of the net gain realized in the current year that can be shared or borne, recognized as investment gain and other misc. income. The book value of the long-term equity investment is adjusted accordingly. The book value of the long-term equity investment should be accordingly decreased based on the share of profit or cash dividend announced by the invested entity; according to other changes in the owner's equity except for net profit and loss, other misc income and profit distribution of the invested entity, adjust the book value of the long-term equity investment and record it in the capital surplus (other capital surplus). When the share of the net gains that can be enjoyed is recognized, it is recognized after the net profit of the invested entity is adjusted based on the fair value of the recognizable assets of the invested entity according to the Company's accounting policies and accounting period. Where the accounting policy and accounting period adopted by the Invested unit are inconsistent with the Company, the financial statements of the Invested unit shall be adjusted in accordance with the accounting policy and accounting period of the Company, and the investment income and other consolidated income shall be recognized. Internal transaction gain not realized between the Company and affiliates is measured according to the shareholding proportion and the investment gains is recognized after deduction. The unrealized internal transaction loss between the Company and the invested entity is the impairment loss of transferred assets and should not be written off.

Where substantial influence on invested entities is imposed or joint control is implemented due to increase in investment, the sum of the fair value of the original equity and increased investment on the conversion date is the initial investment cost under the equity method. If the equity investment originally held is classified as other equity instrument investment, the difference between the fair value and the book value, as well as the accumulated gains or losses originally included in other comprehensive income, shall be transferred out of other comprehensive income and included in retained income in the current period when the equity method is adopted.

Where joint control or substantial influence on invested entities is lost due to disposal of part of investment, the remaining equity after the disposal should be treated according to the Enterprise Accounting Standard No.22 – Recognition and Measurement of Financial

Instruments from the date of losing the joint control or substantial influence. The difference between the fair value and book value should be accounted the profit and loss of the current period. For other misc. incomes of original share equity investment determined using the equity method, when the equity method is no longer used, it should be treated based on the same basis of the treatment of related assets or liability of the invested entities; the other owners' interests related to the original share equity investment should be transferred to gain/loss of the current period.

#### **(4) Equity investment held for sale**

For the remaining equity investments not classified as assets held for sale, the equity method is adopted for accounting treatment.

Equity investments classified as held for sale to associates that are no longer eligible to hold classified assets for sale are retrospectively adjusted using the equity method starting from the date that they are classified as held for sale. The classification is adjusted to hold the financial statements for the period to be sold.

#### **(5) Impairment examination and providing of impairment provision**

See Note III. 22 for the assets impairment provision method for investment in subsidiaries and joint ventures.

### **17. Investment real estate**

#### **(1) Classification of investment real estate**

Investment real estates are held for rent or capital appreciation, or both. These include, inter alia:

① Leased land using right

② the right to use the land that is transferred after holding and preparing for the increment.

③ Leased building

#### **(2) Measurement of investment real estate**

For investment real estates with an active real estate transaction market and the Company can obtain market price and other information of same or similar real estates to reasonably estimate the investment real estates' fair value, the Company will use the fair value mode to

measure the investment real estates subsequently. Variations in fair value are accounted into the current gain/loss account.

The fair value of investment real estate is determined with reference to the current market prices of same or similar real estates in active markets; when no such price is available, with reference to the recent transaction prices and consideration of factors including transaction background, date and district to reasonably estimate the fair value; or based on the estimated lease gains and present value of related cash flows.

For investment real estate under construction (including investment real estate under construction for the first time), if the fair value cannot be reliably determined but the expected fair value of the real estate after completion is continuously and reliably obtained, the investment real estate under construction is measured by cost. When the fair value can be measured reliably or after completion (the earlier one), it is measured at fair value. For an investment real estate whose fair value is proven unable to be obtained continuously and reliably by objective evidence, the real estate will be measured at cost basis until it is disposed and no residual value remains as assumed.

## **18. Fixed assets**

Fixed assets is defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or for operation & management, and have more than one accounting year of service life.

### **(1) Recognition conditions**

Fixed assets are recognized at the actual cost of acquisition when the following conditions are met: (1) The economic benefits associated with the fixed assets are likely to flow into the enterprise.

Fixed assets are recognized at the actual cost of acquisition when the following conditions are met: (1) The economic benefits associated with the fixed assets are likely to flow into the enterprise.

② The cost of the fixed assets can be measured reliably.

Overhaul cost generated by regular examination on fixed assets is recognized as fixed assets costs when there is evidence proving that it meets fix assets recognition conditions. If not, it will be accounted into the current gain/loss account.

**(2) Depreciation of fixed assets**

The types of investment real estate, estimated economic useful life and estimated net residual value rate are determined as follows:

Type	Depreciation method	Service year (year)	Residual rate %	Annual depreciation rate %
Houses & buildings	Average age	20-50	10.00	1.80-4.50
Mechanical equipment	Average age	10.00	10.00	9.00
Transportation facilities	Average age	5.00	10.00	18.00
Electronics and other devices	Average age	5.00	10.00	18.00
PV power plants	Average age	20.00	5.00	4.75

For fixed assets for which depreciation provision is made, the depreciation rate will be determined after the accumulative depreciation provision amount is deducted.

At end of each fiscal year, verification will be made on the useful life, predicted retained value, and depreciation basis. The useful life will be adjusted if the useful life is different from the predicted one; the net residual value will be adjusted if the net residual value is different from the predicted one.

**19. Construction in process**

(1) Construction in progress is accounted for by project classification.

(2) Standard and timing for transferring construction in process into fixed assets

The full expenditure incurred on the construction-in-progress project as a fixed asset is recorded as the value of the asset before the asset is constructed to the intended usable state. This includes construction costs, the original cost of equipment, other necessary expenditures incurred in order to enable the construction works to reach the intended usable status and the borrowing costs incurred for the specific borrowing of the project and the general borrowing expenses incurred before the assets reach the intended usable status. Construction in process will be transferred to fixed assets when it reaches the preset service condition. The fixed assets that have reached the intended usable state but have not been completed shall be transferred to the fixed assets according to the estimated value according to the estimated value according to the estimated value according to the project budget, cost or actual project cost, etc. The depreciation of the fixed assets shall be accrued according to the Company's fixed assets depreciation policy. The original estimated value shall be adjusted according to

the actual cost after the completion.

## **20. Borrowing expenses**

### **(1) Recognition principles for capitalization of borrowing expenses**

Borrowing expenses occurred to the Company that can be accounted as purchasing or production of asset satisfying the conditions of capitalizing, are capitalized and accounted as cost of related asset.

- ① Asset expenditure has occurred;
- ② Borrowing costs have occurred;
- ③ Purchasing or production activity, which is necessary for the asset to reach the useful status, has already started.

Other interest on loans, discounts or premiums and exchange differences are included in the income and loss incurred in the current period.

If the construction or production of assets satisfying the capitalizing conditions is suspended abnormally for over 3 months, capitalizing of borrowing expenses shall be suspended. During the normal suspension period, borrowing expenses will be capitalized continuously.

When the asset satisfying the capitalizing conditions has reached its usable or sellable status, capitalizing of borrowing expenses shall be terminated.

### **(2) Calculation of the capitalization amount of borrowing expense**

Interest expenses generated by special borrowings less the interests income obtained from the deposit of unused borrowings or investment gains from temporary investment is capitalized; the capitalization amount for general borrowing is determined based on the capitalization rate which is the exceeding part of the accumulative assets expense over weighted average of the assets expense of the special borrowing/used general borrowing.

If the assets that are constructed or produced under the condition of capitalization occupy the general borrowing, the interest amount to be capitalized in the general borrowing shall be calculated and determined by multiplying the capital rate of the general borrowing by the weighted average of the asset expenditure of the accumulated assets whose expenditure exceeds that of the specialized borrowing. The capitalization ratio is the weighted average

interest rate of general borrowings.

## 21. Intangible assets

### (1) Pricing of intangible assets

Recorded at the actual cost of acquisition.

### (2) Amortization of intangible assets

#### ① Useful life of intangible assets with limited useful life

Item	Estimated useful life	Basis
Land using right	Term	Use right assets
Trademarks and patents	10 years	Reference to determine the lifetime of a company for which it can bring economic benefits
Proprietary technology	10 years	Reference to determine the lifetime of a company for which it can bring economic benefits
Software	5. 10 years	Reference to determine the lifetime of a company for which it can bring economic benefits

At the end of each year, the Company will reexamine the useful life and amortization basis of intangible assets with limited useful life. Upon review, the service life and amortization methods of intangible assets at the end of the period are not different from those previously estimated.

(2) Intangible assets which cannot be foreseeable to bring economic benefits to enterprises shall be regarded as intangible assets whose useful life is uncertain. For intangible assets with uncertain service life, the Company reviews the service life of intangible assets with uncertain service life at the end of each year. If it is still uncertain after rechecking, it shall conduct an impairment test on the balance sheet date.

#### ③ Amortization of intangible assets

For intangible assets with finite useful lives, the Company determines their useful life upon acquisition and systematically amortizes them using the straight-line method over their useful life. The amortization amount is included in the current profit or loss of the benefiting project or added to the cost of the related asset. The specific amortization amount is the amount after the cost is deducted from the estimated residual value. For fixed assets for which depreciation provision is made, the depreciation rate will be determined after the accumulative depreciation provision amount is deducted. The residual value of an intangible asset with limited useful life is treated as zero, except where a third party undertakes to

purchase the intangible asset at the end of its useful life or to obtain expected residual value information based on the active market, which is likely to exist at the end of its useful life.

Intangible assets with uncertain service life will not be amortized. At the end of each year, the useful life of intangible assets with uncertain useful life is reviewed, and if there is evidence that the useful life of intangible assets is limited, the useful life is estimated and the system is reasonably amortized within the expected useful life.

#### **Specific standard for distinguish between research and development stage**

The company takes the information and related preparatory activities for further development activities as the research stage, and the intangible assets expenditure in the research stage is included in the current profit and loss period.

(2) The development activities carried out after the company has completed the research stage as the development stage.

#### **(4) Specific conditions for capitalization of expenditures in the development phase**

Expenditures in the development phase can be recognized as intangible assets only when the following conditions are met:

A. It is technically feasible to complete the intangible asset so that it can be used or sold;

B. Have the intention to complete the intangible asset and use or sell it;

C. The way intangible assets generate economic benefits, including the ability to prove that the products produced by the intangible assets exist in the market or the intangible assets themselves exist in the market, and the intangible assets will be used internally, which can prove their usefulness;

D. Have sufficient technical, financial and other resource support to complete the development of the intangible asset, and have the ability to use or sell the intangible asset;

E. The expenditure attributable to the development stage of the intangible asset can be reliably measured.

## **22. Assets impairment**

The Group uses the cost mode to continue measuring the assets impairment to investment real estate, fixed assets construction in progress, intangible assets and goodwill (except for the inventories, investment real estate measured by the fair value mode, deferred

income tax assets and financial assets). The method is determined as follows:

The Company judges whether there is a sign of impairment to assets on the balance sheet day. If such sign exists, the Company estimates the recoverable amount and conducts the impairment test. Impairment test is conducted annually for goodwill generated by mergers and intangible assets that have not reached the useful condition no matter whether the impairment sign exists.

The recoverable amount is determined by the higher of the net of fair value minus disposal expense and the present value of the predicted future cash flow. The Company estimates the recoverable amount on the individual asset item basis; whether it is hard to estimate the recoverable amount on the individual asset item basis, determine the recoverable amount based on the asset group that the assets belong to. The assets group is determined by whether the main cash flow generated by the Group is independent from those generated by other assets or assets groups.

When the recoverable amount of the assets or assets group is lower than its book value, the Company writes down the book value to the recoverable amount, the write-down amount is accounted into the current income account and the assets impairment provision is made.

For goodwill impairment test, the book value of goodwill generated by mergers is amortized through reasonable measures since the purchase day to related asset groups; those cannot be amortized to related assets groups are amortized to related combination of asset groups. The related asset groups or combination of asset groups refer to those that can benefit from the synergistic effect of mergers and must not exceed to the reporting range determined by the Company.

When the impairment test is conducted, if there is sign of impairment to the asset group or combination of asset groups related to goodwill, first perform impair test for asset group or combination of asset groups without goodwill and calculate the recoverable amount and recognize the related impairment loss. Then conduct impairment test on those with goodwill, compare the book value with recoverable amount. If the recoverable amount is lower than the book value, recognize the impairment loss of the goodwill.

Once recognized, the asset impairment loss cannot be written back in subsequent accounting period.

### **23. Long-term amortizable expenses**

The long-term deferred expenses shall be used to calculate the expenses that have occurred but should be borne by the Company in the current and subsequent periods with a amortization period of more than one year. The Company's long-term deferred expenses are amortized averagely during the benefit period.

## **24. Staff remuneration**

Staff remuneration is the compensation paid by the employer to the staff for the services they provide or for termination of the working relationship. Staff remuneration includes short-term remuneration and post-employment welfare. The benefits provided by the Company to the spouses, children, dependants, survivors and other beneficiaries of the staff are also the remuneration of the staff.

According to liquidity, employee compensation is listed in the "employee compensation payable" and "long-term employee compensation payable" items of the balance sheet respectively.

### **(1) Accounting of operational leasing**

#### **① Basic salary of employees (salary, bonus, allowance, subsidy)**

In the accounting period for which the staff and workers provide services, the Company shall confirm the actual short-term remuneration as liabilities and shall account for the current income and loss, except as required or permitted by other accounting standards.

#### **② Employee welfare**

The employee benefits incurred by the Company shall be included in the current profit and loss or related asset costs according to the actual amount incurred. Where the employee's benefit is non-monetary, it shall be measured on the basis of fair value.

#### **③ Social insurance premiums and housing accumulation funds such as health insurance premiums, work injury premiums, birth insurance premiums, trade union funds and staff and education funds**

The Company pays the medical insurance premiums, work injury insurance premiums, birth insurance premiums, etc. social insurance premiums and housing accumulation funds for the staff and workers, as well as the union funds and the staff and workers education funds according to the regulations, in the accounting period for which the staff and workers provide

services, the corresponding salary amount of the staff and workers, and confirms the corresponding liabilities, which are included in the current profit and loss or related asset costs.

④ Short-term paid leave

The Company accumulates the salary of the employees who are absent from work with pay when the employees provide service, thus increasing their future right of absence with pay. The Company confirms the salary of the employee related to the absence of non-cumulative salary during the actual absence accounting period.

⑤ Short-term profit share program

If the profit-sharing plan meets the following conditions at the same time, the Company shall confirm the salary payable to the staff and workers:

A. The legal or presumptive obligation of the enterprise to pay the remuneration of its employees as a result of past matters;

B. The amount of employee compensation obligations due to the profit sharing plan can be reliably estimated.

**(2) Accounting of post-employment welfare**

The Company's post-employment benefit plan is defined contribution plan. Defined contribution plans include basic endowment insurance, unemployment insurance, etc. During the accounting period when employees provide services for them, the Company shall recognize the deposit amount calculated according to the defined deposit plan as liabilities and include it in the current profits and losses or related asset costs.

**(3) Accounting of dismiss welfare**

If the Company provides termination benefits to employees, the employee compensation liabilities arising from the termination benefits shall be recognized at the earliest of the following two and shall be included in the current profit and loss:

(1) An enterprise may not unilaterally withdraw the resignation benefits provided for by the dismissal plan or reduction proposal;

(2) When the enterprise recognizes the costs or expenses related to the reorganization involving the payment of resignation benefits.

## **25. Anticipated liabilities**

### **(1) Recognition standards of anticipated liabilities**

When responsibilities occurred in connection to contingent issues, and all of the following conditions are satisfied, they are recognized as expectable liability in the balance sheet:

- ① This responsibility is a current responsibility undertaken by the Company;
- ② Execution of this responsibility may cause financial benefit outflow from the Company;
- ③ Amount of the liability can be reliably measured.

### **(2) Measurement of anticipated liabilities**

Expected liabilities are initially measured at the best estimation on the expenses to exercise the current responsibility, and with considerations to the relative risks, uncertainty, and periodic value of currency. On each balance sheet date, review the book value of the estimated liabilities. Where there is conclusive evidence that the book value does not reflect the current best estimate, the book value is adjusted to the current best estimate.

## **26. Revenue the principle of revenue recognition and measurement methods**

### **(1) General principles**

Income is the total inflow of economic benefits formed in the daily activities of the Company, which will lead to the increase of shareholders' equity and has nothing to do with the capital invested by shareholders.

The Company has fulfilled the performance obligation in the contract, that is, the revenue is recognized when the customer obtains the control right of relevant goods. To obtain the control right of the relevant commodity means to be able to dominate the use of the commodity and obtain almost all the economic benefits from it.

If there are two or more performance obligations in the contract, the Company will allocate the transaction price to each single performance obligation according to the relative proportion of the separate selling price of the goods or services promised by each single performance obligation on the start date of the contract, and measure the income according to the transaction price allocated to each single performance obligation.

The transaction price refers to the amount of consideration that the Company is expected to be entitled to receive due to the transfer of goods or services to customers, excluding the amount collected on behalf of a third party. When determining the contract transaction price, if there is a variable consideration, the Company shall determine the best estimate of the variable consideration according to the expected value or the most likely amount, and include it in the transaction price with the amount not exceeding the accumulated recognized income when the relevant uncertainty is eliminated, which is most likely not to have a significant reversal. If there is a significant financing component in the contract, the Company will determine the transaction price according to the amount payable in cash when the customer obtains the control right of the commodity. The difference between the transaction price and the contract consideration will be amortized by the effective interest method during the contract period. If the interval between the control right transfer and the customer's payment is less than one year, the Company will not consider the financing component Points.

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

- ① When the customer performs the contract in the Company, he obtains and consumes the economic benefits brought by the Company's performance;
- ② Customers can control the goods under construction during the performance of the contract;
- ③ The goods produced by the Company in the process of performance have irreplaceable uses, and the Company has the right to collect money for the performance part that has been completed so far during the whole contract period.

For the performance obligations performed within a certain period of time, the Company shall recognize the revenue according to the performance progress within that period, except that the performance progress cannot be reasonably determined. The Company determines the progress of performance for the provision of services on the basis of the input (or output) method. When the progress of performance cannot be reasonably determined, if the cost incurred by the Company is expected to be compensated, the revenue shall be recognized according to the amount of cost incurred until the progress of performance can be reasonably determined.

For the performance obligation performed at a certain time point, the Company recognizes the revenue at the time point when the customer obtains the control right of relevant goods. In determining whether a customer has acquired control of goods or services, the Company will consider the following signs:

① The Company has the right to receive payment for the goods or services, that is, the customer has the obligation to pay for the goods;

② The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods;

③ The Company has transferred the goods in kind to the customer, that is, the customer has possessed the goods in kind;

④ The Company has transferred the main risks and rewards of the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the goods;

⑤ The product has been accepted by the customer.

#### Sales return clause

For the sales with sales return clauses, when the customer obtains the control right of the relevant goods, the Company shall recognize the revenue according to the amount of consideration it is entitled to obtain due to the transfer of the goods to the customer, and recognize the amount expected to be returned due to the sales return as the estimated liability; at the same time, the Company shall deduct the estimated cost of recovering the goods according to the book value of the expected returned goods at the time of transfer( The balance after deducting the value of the returned goods is recognized as an asset, that is, the cost of return receivable, which is carried forward by deducting the net cost of the above assets according to the book value of the transferred goods at the time of transfer. On each balance sheet date, the Company re estimates the return of future sales and re measures the above assets and liabilities.

#### Warranty obligations

According to the contract and legal provisions, the Company provides quality assurance for the goods sold and the projects constructed. For the guarantee quality assurance to ensure

that the goods sold meet the established standards, the Company conducts accounting treatment in accordance with the accounting standards for Business Enterprises No. 13 - contingencies. For the service quality assurance which provides a separate service in addition to guaranteeing that the goods sold meet the established standards, the Company takes it as a single performance obligation, allocates part of the transaction price to the service quality assurance according to the relative proportion of the separate selling price of the goods and service quality assurance, and recognizes the revenue when the customer obtains the service control right. When evaluating whether the quality assurance provides a separate service in addition to assuring customers that the goods sold meet the established standards, the Company considers whether the quality assurance is a statutory requirement, the quality assurance period, and the nature of the Company's commitment to perform the task.

#### Customer consideration payable

If there is consideration payable to the customer in the contract, unless the consideration is to obtain other clearly distinguishable goods or services from the customer, the Company will offset the transaction price with the consideration payable, and offset the current income at the later time of confirming the relevant income or paying (or promising to pay) the customer's consideration.

#### Contractual rights not exercised by customers

If the Company advances sales of goods or services to customers, the amount shall be recognized as liabilities first, and then converted into income when relevant performance obligations are fulfilled. When the Company does not need to return the advance payment and the customer may give up all or part of the contract rights, if the Company expects to have the right to obtain the amount related to the contract rights given up by the customer, the above amount shall be recognized as income in proportion according to the mode of the customer exercising the contract rights; otherwise, the Company only has the very low possibility of the customer requiring to perform the remaining performance obligations. The relevant balance of the above liabilities is converted into income.

#### Contract change

When the construction contract between the Company and the customer is changed:

① If the contract change increases the clearly distinguishable construction service and contract price, and the new contract price reflects the separate price of the new construction

service, the Company will treat the contract change as a separate contract for accounting;

② If the contract change does not belong to the above-mentioned situation (1), and there is a clear distinction between the transferred construction service and the non transferred construction service on the date of contract change, the Company will regard it as the termination of the original contract, and at the same time, combine the non performance part of the original contract and the contract change part into a new contract for accounting treatment;

③ If the contract change does not belong to the above situation (1), and there is no clear distinction between the transferred construction services and the non transferred construction services on the date of contract change, the Company will take the contract change part as an integral part of the original contract for accounting treatment, and the resulting impact on the recognized income will be adjusted to the current income on the date of contract change.

## **(2) Specific methods**

The specific methods of revenue recognition of the Company are as follows:

### **① Commodity sales contract**

The commodity sales contract between the company and the customer includes the performance obligation of transferring curtain wall materials, screen door materials, electric energy, etc., which belongs to the performance obligation at a certain time point.

Revenue from domestic sales of products is recognized at the time when the customer obtains the right of control of the goods on the basis of comprehensive consideration of the following factors: the Company has delivered the products to the customer according to the contract, the customer has accepted the goods, the payment for goods has been recovered or the receipt has been obtained, and the relevant economic benefits are likely to flow in, the main risks and rewards of the ownership of the goods have been transferred, the legal ownership has been transferred;

The following conditions should be met for the recognition of export product revenue: the Company has declared the product according to the contract, obtained the bill of lading, collected the payment for goods or obtained the receipt certificate, and the relevant economic benefits are likely to flow in, the main risks and rewards of the ownership of goods have been transferred, and the legal ownership of goods has been transferred.

② Service contract

The service contract between the Company and its customers includes the performance obligations of metro platform screen door operation maintenance, curtain wall maintenance and property services. As the Company's performance at the same time, the customers obtain and consume the economic benefits brought by the Company's performance, the Company takes it as the performance obligation within a certain period of time and allocates it equally during the service provision period.

③ Engineering contract

The project contract between the Company and the customer includes the performance obligations of curtain wall project and metro platform screen door project construction. As the customer can control the goods under construction in the process of the Company's performance, the Company takes them as the performance obligations within a certain period of time, and recognizes the income according to the performance progress, except that the performance progress cannot be reasonably determined. The Company determines the performance schedule of providing construction services according to the input method. The performance schedule shall be determined according to the proportion of the actual contract cost to the estimated total contract cost.

④ Real estate sales contract

The income of the Company's real estate development business is recognized when the control of the property is transferred to the customer. The income is recognized when the customer obtains the physical ownership or legal ownership of the completed property and the Company has obtained the current right of collection and is likely to recover the consideration. When confirming the contract transaction price, if the financing component is significant, the Company will adjust the contract commitment consideration according to the financing component of the contract.

**27. Government subsidy**

**(1) Government subsidy**

Government subsidies are recognized when the following conditions are met:

① Requirements attached to government subsidies;

- ② The company can receive government subsidies.

**(2) Government subsidy**

When a government subsidy is monetary capital, it is measured at the received or receivable amount. None monetary capital are measured at fair value; if no reliable fair value available, recognized at RMB1.

**(3) Recognition of government subsidies**

- ① Assets-related

Government subsidies related to assets are obtained by the Company to purchase, build or formulate in other manners long-term assets; or subsidies related to benefits. If the asset-related government subsidy is recognized as deferred gain, should be recorded in gain and loss in the service life. Government subsidy measured at the nominal amount is accounted into current income account. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the unallocated relevant deferred income balance shall be transferred to the profit and loss of the current period of disposition of the assets.

- ② Gain-related government subsidy should be accounted as follows:

The Company divides government subsidies into assets-related and earnings-related government subsidies. Gain-related government subsidy should be accounted as follows:

Subsidy that will be used to compensate related future costs or losses should be recognized as deferred gain and recorded in the gain and loss of the current report and offset related cost;

Subsidy that is used to compensate existing cost or loss should be recorded in the gain and loss of the current period or offset related cost.

For government subsidies that include both asset-related and income-related parts, separate different parts for accounting treatment; It is difficult to distinguish between the overall classification of government subsidies related to benefits.

Government subsidy related to routine operations should be recorded in other gains or offset related cost. Government subsidy not related to routine operations should be recorded in non-operating income or expense.

- ③ Policy preferential loan discount

The policy-based preferential loan obtained has interest subsidy. If the government allocates the interest-subsidy funds to the lending bank, the loan amount actually received will be used as the entry value of the loan, and the borrowing cost will be calculated based on the loan principal and policy-based preferential interest rate.

If the government allocates the interest-bearing funds directly to the Group, discount interest will offset the borrowing costs.

④ Government subsidy refund

When a confirmed government subsidy needs to be returned, the book value of the asset is adjusted against the book value of the relevant asset at initial recognition. If there is a related deferred income balance, the book balance of the related deferred income is written off and the excess is credited to the current profit or loss; In other cases, it is directly included in the current profit and loss.

**28. Differed income tax assets and differed income tax liabilities**

The Company uses the temporary difference between the book value of the assets and liabilities on the balance sheet day and the tax base and the liabilities method to recognize the deferred income tax. 26. Deferred income tax assets and deferred income tax liabilities

**(1) Deferred income tax assets**

For deductible temporary discrepancies, deductible losses and tax offsets that can be carried forward for future years, the impact on income tax is calculated at the estimated income tax rate for the transfer-back period and the impact is recognized as deferred income tax assets, provided that the Company is likely to obtain future taxable income for deductible temporary discrepancies, deductible losses and tax offsets.

At the same time, the impact on income tax of deductible temporary discrepancies resulting from the initial recognition of assets or liabilities in transactions or matters with the following characteristics is inconclusive as deferred income tax assets:

A. The transaction is not a business combination;

B. the transaction is not a merger and the transaction does not affect the accounting profit or taxable proceeds;

However, for individual transactions that simultaneously meet the above two conditions

and result in equal taxable temporary differences and deductible temporary differences upon initial recognition of assets and liabilities, the exemption from initial recognition of deferred tax liabilities and deferred tax assets does not apply. For taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in such transactions, the Company recognizes the corresponding deferred tax liabilities and deferred tax assets at the time of the transaction.

In the event of temporary discrepancy of deductible investment related to subsidiaries, joint ventures and joint ventures, and meeting the following two conditions, the amount of impact (talent) on income tax shall be deemed as deferred income tax assets:

A. Temporary discrepancies are likely to be reversed in the foreseeable future;

B. In the future, it is likely to obtain taxable income that can be used to offset the deductible temporary differences;

On the balance sheet date, if there is conclusive evidence that sufficient taxable income is likely to be obtained in the future to offset the deductible temporary differences, the deferred income tax assets that have not been recognized in the previous period are recognized.

On the balance sheet day, the Company re-examines the book value of the deferred income tax assets. If it is unlikely to have adequate taxable proceeds to reduce the benefits of the deferred income tax assets, less the deferred income tax assets' book value. When there is adequate taxable proceeds, the lessened amount will be reversed.

## **(2) Deferred income tax assets**

All provisional differences in taxable income of the Company shall be measured on the basis of the estimated income tax rate for the period of transfer-back and shall be recognized as deferred income tax liabilities, except that:

At the same time, the impact on income tax of deductible temporary discrepancies resulting the initial recognition of assets or liabilities in transactions or matters with the following characteristics is inconclusive as deferred income tax Liabilities:

A. Initial recognition of goodwill;

B. Initial recognition of goodwill, or of assets or liabilities generated in transactions with the following features: the transaction is not a merger and the transaction does not affect the

accounting profit or taxable proceeds;

② In the event of temporary discrepancy of deductible investment related to subsidiaries, Joint venture joint ventures, and meeting the two conditions, the amount of impact (talent) on income tax shall be deemed as deferred income tax assets:

A. The Company is able to control the time of temporary discrepancy transfers;

B Temporary discrepancies are likely to be reversed in the foreseeable future;

### **(3) Deferred income tax assets**

(1) Deferred income tax liabilities or assets associated with enterprise consolidation

Temporary difference of taxable tax or deductible temporary difference generated by enterprise merger under non-same control. When deferred income tax liability or deferred income tax asset is recognized, related deferred income tax expense (or income) is usually adjusted as recognized goodwill in enterprise merger.

② Amount of shares paid and accounted as owners' equity

Except for the adjustment goodwill generated by mergers or deferred income tax related to transactions or events directly accounted into the owners' equity, income tax is accounted as income tax expense into the current gain/loss account. The effects of temporary discrepancy on income tax include the following: Other integrated benefits such as fair value change of financial assets available for sale, retroactive adjustment of accounting policy changes or retroactive restatement of accounting error correction discrepancy to adjust the initial retained income, and mixed financial instruments including liabilities and equity.

(3) Compensation for losses and tax deductions

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

Deductible losses refer to the losses calculated and determined in accordance with the provisions of the tax law that are allowed to be made up with the taxable income of subsequent years. The uncovered losses (deductible losses) and tax deductions that can be carried forward in accordance with the tax law are treated as deductible temporary differences. When it is expected that sufficient taxable income is likely to be obtained in the future period when it is expected to be available to make up for losses or tax deductions, the corresponding deferred income tax assets are recognized within the limit of the taxable income that is likely

to be obtained, while reducing the current period Income tax expense in the income statement.

B. Compensable uncovered losses of the merged company due to business merger

In a business combination, if the Company obtains the deductible temporary difference of the purchased party and does not meet the deferred income tax asset recognition conditions on the purchase date, it shall not be recognized. Within 12 months after the purchase date, if new or further information is obtained indicating that the relevant conditions on the purchase date already exist, and the economic benefits brought about by the temporary difference are expected to be deducted on the purchase date, confirm the relevant delivery. Deferred income tax assets, while reducing goodwill, if the goodwill is not enough to offset, the difference is recognized as the current profit and loss; except for the above circumstances, the deferred tax assets related to the business combination are recognized and included in the current profit and loss.

④ Temporary difference caused by merger offset

If there is a temporary difference between the book value of assets and liabilities in the consolidated balance sheet and the taxable basis of the taxpayer due to the offset of the unrealized internal sales gain or loss, the deferred income tax asset or the deferred income tax liability is confirmed in the consolidated balance sheet, and the income tax expense in the consolidated profit statement is adjusted, with the exception of the deferred income tax related to the transaction or event directly included in the owner's equity and the merger of the enterprise.

⑤ Share payment settled by equity

If the tax law provides for allowable per-tax deduction of expenses related to share payment, within the period for which the cost and expense are recognized in accordance with the accounting standards, the Company shall calculate the tax basis and temporary discrepancy based on the estimated per-tax deduction amount at the end of the accounting period and confirm the relevant deferred income tax if it meets the conditions for confirmation. Of these, the amount that can be deducted before tax in the future exceeds the cost related to share payment recognized in accordance with the accounting standards, and the excess income tax shall be directly included in the owner's equity.

⑥ Dividends related to financial instruments classified as equity instruments

For financial instruments classified as equity instruments where the Company is the issuer, any dividend expenditure that is deductible for corporate income tax purposes according to tax policy is recognized for its income tax impact when the dividends payable are recognized. If the distributed profits originate from transactions or events previously affecting profit or loss, the income tax impact of such dividends is included in the current profit or loss. If the distributed profits originate from transactions or events previously recognized in equity, the income tax impact of such dividends is included in equity items.

**(4) Basis for presentation of deferred tax assets and deferred tax liabilities on a net basis**

The deferred income tax assets and deferred income tax liabilities of the company are presented as a net amount after offsetting when the following conditions are met simultaneously:

① The Company has a legal right to offset current income tax assets against current income tax liabilities on a net basis;

② Deferred income tax assets and deferred income tax liabilities relate either to income taxes levied by the same tax authority on the same taxable entity, or to different taxable entities, provided that in each material future period when these deferred tax assets and liabilities are expected to reverse, the entities involved intend either to settle current income tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

**29. Lease**

**(1) Identification of lease**

On the commencement date of the contract, the company evaluates whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract is a lease or includes a lease. In order to determine whether the contract transfers the right to control the use of the identified assets within a certain period, the company evaluates whether the customers in the contract have the right to obtain almost all the economic benefits arising from the use of the identified assets during the use period, and have the right to dominate the use of the identified assets during the use period.

## **(2) Separate identification of lease**

If the contract includes multiple separate leases at the same time, the company will split the contract and conduct accounting treatment for each separate lease. If the following conditions are met at the same time, the right to use the identified asset constitutes a separate lease in the contract: ① the lessee can profit from using the asset alone or together with other easily available resources; ② The asset is not highly dependent or highly related to other assets in the contract.

## **(3) Accounting treatment method of the Company as lessee**

On the beginning date of the lease term, the Company recognizes the lease with a lease term of no more than 12 months and excluding the purchase option as a short-term lease; When a single leased asset is a brand-new asset, the lease with lower value is recognized as a low value asset lease. If the Company sublets or expects to sublet the leased assets, the original lease is not recognized as a low value asset lease.

For all short-term leases and low value asset leases, the Company will record the lease payment amount into the relevant asset cost or current profit and loss according to the straight-line method (or other systematic and reasonable methods) in each period of the lease term.

In addition to the above short-term leases and low value asset leases with simplified treatment, the Company recognizes the right to use assets and lease liabilities for the lease on the beginning date of the lease term.

### **① Use right assets**

The term "right to use assets" refers to the right of the lessee to use the leased assets during the lease term.

At the beginning of the lease term, the right of use assets are initially measured at cost. This cost includes:

- The initial measurement amount of lease liabilities;
- For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted;
- Initial direct expenses incurred by the lessee;

- The estimated cost incurred by the lessee for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company recognizes and measures the cost according to the recognition standard and measurement method of estimated liabilities. See Note III 25 for details. If the above costs are incurred for the production of inventories, they will be included in the cost of inventories.

Depreciation of right of use assets is accrued by using the straight-line method. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the depreciation rate shall be determined according to the asset category of the right to use and the estimated net residual value rate within the expected remaining service life of the leased asset; If it is impossible to reasonably determine that the ownership of the leased asset will be obtained at the expiration of the lease term, the depreciation rate shall be determined according to the asset category of the right of use within the shorter of the lease term and the remaining service life of the leased asset.

## ② Lease liabilities

The lease liabilities are initially measured Company shall according to the present value of the unpaid lease payments at the beginning of the lease term. The lease payment includes the following five items:

- Fixed payment amount and substantial fixed payment amount. If there is lease incentive, the relevant amount of lease incentive shall be deducted;
- Variable lease payments depending on index or ratio;
- The exercise price of the purchase option, provided that the lessee reasonably determines that the option will be exercised;
- The amount to be paid for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;
- The amount expected to be paid according to the residual value of the guarantee provided by the lessee.

When calculating the present value of lease payments, the implicit interest rate of the lease is used as the discount rate. If the implicit interest rate of the lease cannot be determined, the incremental borrowing interest rate of the company is used as the discount rate. The

difference between the lease payment amount and its present value is regarded as unrecognized financing expenses, and the interest expenses are recognized according to the discount rate of the present value of the lease payment amount during each period of the lease term and included in the current profit and loss. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profit and loss when actually incurred.

After the beginning date of the lease term, when the actual fixed payment amount changes, the expected payable amount of the guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation results or actual exercise of the purchase option, renewal option or termination option changes, the Company remeasures the lease liability according to the present value of the changed lease payment amount, And adjust the book value of the right to use assets accordingly.

#### **(4) Accounting treatment method of the Company as lessor**

On the lease commencement date, the Company classifies leases that have substantially transferred almost all the risks and rewards related to the ownership of the leased assets as financial leases, and all other leases are operating leases.

##### Operating lease

During each period of the lease term, the Company recognizes the lease receipts as rental income according to the straight-line method, and the initial direct expenses incurred are capitalized, amortized on the same basis as the recognition of rental income, and included in the current profit and loss by stages. The variable lease payments obtained by the Company related to operating leases that are not included in the lease receipts are included in the current profits and losses when actually incurred.

##### Finance lease

On the lease beginning date, the Company recognizes the financial lease receivables according to the net amount of the lease investment (the sum of the unsecured residual value and the present value of the lease receipts not received on the lease beginning date discounted according to the lease embedded interest rate), and terminates the recognition of the financial lease assets. During each period of the lease term, the Company calculates and recognizes the interest income according to the interest rate embedded in the lease.

The amount of variable lease payments obtained by the Company that are not included in the measurement of net lease investment shall be included in the current profit and loss when actually incurred.

#### **(5) Accounting treatment of lease change**

##### **① Change of lease as a separate lease**

If the lease changes and meets the following conditions at the same time, the Company will treat the lease change as a separate lease for accounting: a. the lease change expands the lease scope by increasing the use right of one or more leased assets; B. The increased consideration is equivalent to the amount adjusted according to the conditions of the contract at the separate price for most of the expansion of the lease scope.

##### **② The lease change is not treated as a separate lease**

###### **A. The Company as lessee**

On the effective date of the lease change, the Company reconfirmed the lease term and discounted the changed lease payment at the revised discount rate to re-measure the lease liability. When calculating the present value of the lease payment after the change, the implicit interest rate of the lease during the remaining lease period shall be used as the discount rate; If it is impossible to determine the implicit interest rate of the lease for the remaining lease period, the incremental loan interest rate on the effective date of the lease change shall be used as the discount rate.

The impact of the above lease liability adjustment shall be accounted for according to the following circumstances:

- If the lease scope is reduced or the lease term is shortened due to the lease change, the book value of the right to use assets shall be reduced, and the relevant gains or losses of partial or complete termination of the lease shall be included in the current profits and losses;
- For other lease changes, the book value of the right to use assets shall be adjusted accordingly.

###### **The Company as lessor**

If the operating lease is changed, the Company will treat it as a new lease for accounting

from the effective date of the change, and the amount of lease receipts received in advance or receivable related to the lease before the change is regarded as the amount of new lease receipts.

If the change of financial lease is not accounted for as a separate lease, the Company will deal with the changed lease under the following circumstances: if the change of lease takes effect on the lease commencement date and the lease will be classified as an operating lease, the Company will account for it as a new lease from the effective date of lease change, and take the net lease investment before the effective date of lease change as the book value of leased assets; If the lease change takes effect on the lease commencement date, the lease will be classified as a financial lease, and the Company will conduct accounting treatment in accordance with the provisions on modifying or renegotiating the contract.

#### **(6) Sale and lease-back**

The company evaluates and determines whether the asset transfer in the sale and leaseback transaction is a sale in accordance with the provisions of Note III 26.

##### **① The Company as seller (lessee)**

If the asset transfer in the sale and leaseback transaction does not belong to sales, the Company will continue to recognize the transferred asset, recognize a financial liability equal to the transfer income, and conduct accounting treatment for the financial liability in accordance with Note III 11. If the asset transfer belongs to sales, the Company measures the right to use assets formed by sale and leaseback according to the part of the book value of the original assets related to the right to use obtained by leaseback, and only recognizes the relevant gains or losses on the rights transferred to the lessor.

##### **② The Company as buyer (lessor)**

If the asset transfer in the sale and leaseback transaction is not sales, the company does not recognize the transferred asset, but recognizes a financial asset equal to the transfer income, and carries out accounting treatment for the financial asset in accordance with Note III 11. If the asset transfer belongs to sales, the Company shall conduct accounting treatment for asset purchase and asset lease in accordance with other applicable accounting standards for business enterprises.

### **30. Accounting of hedging**

### **(1) Classification of inventories**

The Company divides its hedging strategies into fair value hedges, cash flow hedges, and net investment hedges.

① Fair value hedge. It refers to hedging activities conducted to mitigate the risk of changes in the fair value of recognized assets or liabilities, unrecognized firm commitments, or components of the aforementioned items. The fair value changes are caused by specific risks that will impact the Company's profit or other comprehensive income.

① Cash flow hedging refers to the hedging of cash flow risk. The change in cash flow is derived from specific risks associated with recognized assets or liabilities, expected transactions that are likely to occur, or with respect to the components of the above-mentioned project and will affect the profits and losses of the enterprise.

③ Net investment hedge for overseas operations refers to hedging activities conducted to mitigate the foreign exchange risk exposure of the net investment in overseas operations. The hedged risk in the net investment hedge is the translation difference between the functional currency of the overseas operations and the reporting currency of the parent company.

### **(2) Hedging tools and hedged projects**

Hedging means a financial instrument designated by the Company for the purpose of hedging, whose fair value or cash flow variation is expected to offset the fair value or cash flow variation of the hedged item, including:

① Financial liabilities measured at fair value with variations accounted into current income account Check-out options can only be used as a hedging tool if the option is hedged, including those embedded in a hybrid contract. Derivatives embedded in a hybrid contract but not split cannot be used as separate hedging tools.

② Non-derivative financial assets or non-derivative financial liabilities that are measured at fair value and whose changes are included in the current profit and loss, but designated as fair value and whose changes are included in the current profit and loss, and their own credit risk changes caused by changes in fair value except for financial liabilities included in other comprehensive income.

Own equity instruments are not financial assets or financial liabilities and cannot be used as hedging instruments.

A hedged item refers to an item that exposes the Company to the risk of changes in fair value or cash flow and is designated as the hedged object and can be reliably measured. The Company designates the following individual projects, project portfolios or their components as hedged projects:

① Confirmed assets or liabilities.

② Confirmed commitments that have not yet been confirmed. Confirmed commitment refers to a legally binding agreement to exchange a specific amount of resources at an agreed price on a specific date or period in the future.

③ Expected transactions that are likely to occur. Anticipated transactions refer to transactions that have not yet been committed but are expected to occur.

④ Net investment in overseas operations.

The above-mentioned project components refer to the parts that are less than the overall fair value or cash flow changes of the project. The Company designates the following project components or their combinations as hedged items:

① The part of the change in fair value or cash flow (risk component) that is only caused by one or more specific risks in the overall fair value or cash flow changes of the project. According to the assessment in a specific market environment, the risk component should be able to be individually identified and reliably measured. The risk component also includes the part where the fair value or cash flow of the hedged item changes only above or below a specific price or other variables.

② One or more selected contractual cash flows.

③ The component of the nominal amount of the project, that is, the specific part of the whole amount or quantity of the project, may be a certain proportion of the whole project, or may be a certain level of the whole project. If a certain level includes early repayment rights and the fair value of the early repayment rights is affected by changes in the risk of the hedge, the level shall not be designated as the hedged item of the fair value hedge, but in the measurement of the hedged item except when the fair value has included the influence of the

prepayment right.

### **(3) Evaluation of hedging relationship**

When the hedging relationship is initially specified, the Group officially specifies the related hedging relationships with official documents recording the hedging relationships, risk management targets and hedging strategies. This document sets out the hedging tools, hedged items, the nature of hedged risks, and the Company's assessment of hedged effectiveness. Hedging means a financial instrument designated by the Company for the purpose of hedging, whose fair value or cash flow variation is offset the fair value or cash flow variation of the hedged item, including: Such hedges are continuously evaluated on and after the initial specified date to meet the requirements for hedging validity.

If the hedging instrument has expired, been sold, the contract is terminated or exercised (but the extension or replacement as part of the hedging strategy is not treated as expired or contract termination), or the risk management objective changes, resulting in hedging The relationship no longer meets the risk management objectives, or the economic relationship between the hedged item and the hedging instrument no longer exists, or the impact of credit risk begins to dominate in the value changes caused by the economic relationship between the hedged item and the hedging instrument, or when the hedge no longer meets the other conditions of the hedge accounting method, the Company terminates the use of hedge accounting.

If the hedging relationship no longer meets the requirements for hedging effectiveness due to the hedging ratio, but the risk management objective of the designated hedging relationship has not changed, the Company shall rebalance the hedging relationship.

### **(4) Revenue the of revenue recognition and measurement**

If the conditions for applying hedge accounting method are met, it shall be handled according to the following methods:

#### **① Fair value hedging**

Gains or losses arising from hedging instruments are recognized in the current period's income statement. If the hedging is conducted for specified non-derivative equity investments (or components thereof) measured at fair value with changes in fair value recognized in other comprehensive income, gains or losses from the hedging instruments are recognized in other

comprehensive income. Gains or losses arising from the hedged items due to the hedging risk exposure are recognized in the income statement. At the same time, the carrying amount of the designated hedged items that are not measured at fair value is adjusted. If the hedged item is a specified non-derivative equity investment (or component thereof) measured at fair value with changes in fair value recognized in other comprehensive income, gains or losses resulting from the hedging risk exposure are recognized in other comprehensive income, and the carrying amount of the hedged item has already been measured at fair value and does not require adjustment.

Regarding fair value hedges related to financial instruments (or components thereof) measured at amortized cost, any adjustments made to the carrying amount of the hedged item are amortized using the effective interest rate recalculated from the date of the commencement of amortization and recognized in the income statement. The amortization date for adjustments should begin from the adjustment date and should not be later than the point at which hedging gains and losses are adjusted upon termination of the hedged item. For hedged items that are financial assets (or components thereof) measured at fair value with changes in fair value recognized in other comprehensive income, the accumulated hedging gains or losses should be amortized in the same manner and recognized in the income statement. However, the carrying amount of the financial assets (or components thereof) should not be adjusted.

For hedged items that are unrecognized firm commitments (or components thereof), the cumulative fair value changes caused by the hedging risk after the hedging relationship is designated should be recognized as an asset or liability. The related gains or losses should be recognized in the income statement. When fulfilling a firm commitment and acquiring an asset or assuming a liability, the initial recognized amount of the asset or liability should be adjusted to include the cumulative fair value changes of the designated hedged item that have been recognized.

## ② Cash flow hedging

The part of hedging tool gains or losses that is valid for hedging is recognized as other comprehensive income as a cash flow hedging reserve, and the part that is invalid for hedging (that is, other gains or losses after deducting other comprehensive income), are counted into the current profit and loss. The amount of cash flow hedging reserve is determined according

to the lower of the absolute amounts of the following two items: ①accumulated gains or losses of hedging instruments since the hedging. The amount in the effective arbitrage is recognized by the accumulative gains or losses from the starting of arbitrage and accumulative changes to the current value of future forecast cash flows from the start of arbitrage.

If the expected transaction of the hedged asset is subsequently recognized as a non-financial asset or non-financial liability, or if the expected transaction of the non-financial asset or non-financial liability forms a defined commitment to the applicable fair value hedge accounting, the amount of the cash flow hedge reserve originally recognized in the other consolidated income is transferred out to account for the initial recognized amount of the asset or liability. For the remaining cash flow hedges, during the same period when the expected cash flow to be hedged affects the profit and loss, if the expected sales occur, the cash flow hedge reserve recognized in other comprehensive income is transferred out and included in the current profit and loss.

### ③ Net investment in overseas operations hedge

For hedging of foreign operation net investments, the portion of gains or losses from the hedging instruments that qualify as effective hedges is directly recognized in other comprehensive income. The portion of gains or losses from the hedging instruments that do not qualify as effective hedges is recognized in the income statement. Upon disposal of the foreign operation, the previously recognized gains or losses from the hedging instruments reflected in other comprehensive income are reclassified to the income statement.

## **31. Significant accounting judgment and estimate**

The Company continuously reviews significant accounting judgment and estimate adopted for the reasonable forecast of future events based on its historical experience and other factors. Significant accounting judgment and assumptions that may lead to major adjustment of the book value of assets and liabilities in the next accounting year are listed as follows:

### Classification of financial assets

The major judgments involved in the classification of financial assets include the analysis of business model and contract cash flow characteristics.

The company determines the business mode of managing financial assets at the level of financial asset portfolio, taking into account such factors as how to evaluate and report financial asset performance to key managers, the risks that affect financial asset performance and how to manage it, and how to obtain remuneration for related business managers.

When the company assesses whether the contractual cash flow of financial assets is consistent with the basic borrowing arrangement, there are the following main judgments: whether the principal may change due to early repayment and other reasons during the duration of the period or the amount of change; whether the interest Including the time value of money, credit risk, other basic borrowing risks, and consideration of costs and profits. For example, does the amount paid in advance reflect only the unpaid principal and the interest based on the unpaid principal, as well as the reasonable compensation paid for early termination of the contract.

#### Measurement of expected credit losses of accounts receivable

The Company calculates the expected credit loss of accounts receivable through the risk exposure of accounts receivable default and the expected credit loss rate, and determines the expected credit loss rate based on the default probability and the default loss rate. When determining the expected credit loss rate, the Company uses internal historical credit loss experience and other data, combined with current conditions and forward-looking information to adjust the historical data. When considering forward-looking information, the indicators used by the Company include the risks of economic downturn, changes in the external market environment, technological environment, and customer conditions. The Company regularly monitors and reviews assumptions related to the calculation of expected credit losses.

#### Deferred income tax assets

If there is adequate taxable profit to deduct the loss, the deferred income tax assets should be recognized by all the unused tax loss. This requires the management to make a lot of judgment to forecast the time and amount of future taxable profit and determine the amount of the deferred tax assets based on the taxation strategy.

#### Income recognition

The Company's revenue from providing curtain wall construction and metro platform screen door installation services is recognized over a period of time. The recognition of the income and profit of such engineering installation services depends on the Company's

estimation of the contract results and performance progress. If the actual amount of total revenue and total cost is higher or lower than the estimated value of the management, it will affect the amount of revenue and profit recognition of the Company in the future.

#### Engineering contract

The management shall make relevant judgment to confirm the income and expenses of project contracting business according to the performance progress. If losses are expected to occur in the project contract, such losses shall be recognized as current expenses. The management of the Company estimates the possible losses according to the budget of the project contract. The Company determines the transaction price according to the terms of the contract and in combination with previous customary practices, and considers the influence of variable consideration, major financing components in the contract and other factors. During the performance of the contract, the Company continuously reviews the estimated total contract revenue and the estimated total contract cost. When the initial estimate changes, such as contract changes, claims and awards, the estimated total contract revenue and the estimated total contract cost are revised. When the estimated total contract cost exceeds the total contract revenue, the main business cost and estimated liabilities shall be recognized according to the loss contract to be executed.

#### Estimate of fair value

The Company uses fair value to measure investment real estate and needs to estimate the fair value of investment real estate at least quarterly. This requires the management to reasonably estimate the fair value of the investment real estate with the help of valuation experts.

#### Development cost

For property that has been handed over with income recognized, but whose public facilities have not been constructed or not been completed, the management will estimate the development cost for the part that has not been started according to the budget to reflect the operation result of the property sales.

### **32. Major changes in accounting policies and estimates**

#### **(1) Changes in accounting policies**

During the current reporting period, the Company did not effect any significant changes

in accounting policies.

## (2) Changes in major accounting estimates

Account policy changes and reasons	Effective time	Statement item materially affected	Affected amount
With the development of businesses across various industries, the Company has continuously refined its customer risk management for different sectors and enhanced its management capabilities. Based on a comprehensive assessment of the composition of receivables (including notes receivable, accounts receivable, contract assets, and other receivables) related to curtain wall, platform screen door, new materials, new energy, and commercial real estate businesses, as well as differences in customer risk profiles and historical credit loss experience, the Company has changed its accounting estimates. This change is made prudently, in accordance with Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments, No. 28—Changes in Accounting Policies, Changes in Accounting Estimates and Correction of Errors, and other relevant provisions, and is aligned with the actual business characteristics and operating conditions, in order to present the Company's financial position and operating results more objectively and fairly.	December 01, 2025	Account receivable	-12,480,875.74
		Contract assets (including the portion reclassified to other non-current assets)	-10,411,746.48
		Notes receivable	-12,572,159.65
		Other receivables	-3,311,535.99
		Credit impairment ("- for loss)	-28,364,571.38
		Investment impairment loss ("- for loss)	-10,411,746.48
		Total profit	-38,776,317.86

Note: On April 3, 2026, the Company convened the 14th meeting of the Audit Committee of the 10th Board of Directors and the 16th meeting of the 10th Board of Directors, which reviewed and approved the proposal regarding the current change in accounting estimate, and resolved to implement the change effective December 1, 2025.

## IV. Taxation

### 1. Major taxes and tax rates

Tax	Tax basis	Tax rate %
VAT	Taxable income	1, 3, 5, 6, 9, and 13
City maintenance and construction tax	Taxable turnover	1, 5, 7
Education surtax	Taxable turnover	3
Local education surtax	Taxable turnover	2

Tax	Tax basis	Tax rate %
Property tax	For ad valorem assessment, the tax is levied at 1.2% of the residual value after a one-time deduction of 30% from the original value of the property; for rental-based assessment, the tax is levied at 12% of rental income.	1.2, 12
Enterprise income tax	Taxable income	See the following table

#### Existence of different corporate income tax rates for the Company's subsidiaries

Tax payer	Income tax rate
The Company	25%
Shenzhen Fangda Construction Technology Co., Ltd. (hereinafter Fangda Construction Technology)	15%
Fangda Zhiyuan Technology Co., Ltd. (hereinafter Fangda Zhiyuan)	15%
Fangda New Material (Jiangxi) Co., Ltd. (hereinafter Fangda Jiangxi New Material)	25%
Jiangxi Fangda Intelligent Manufacturing Technology Co., Ltd. (hereinafter referred to as Fangda Intelligent Manufacturing Company)	15%
Chengdu Fangda Construction Technology Co., Ltd. (hereinafter Fangda Chengdu Technology)	15%
Shanghai Fangda Zhijian Technology Co., Ltd. (hereinafter referred to as Fangda Shanghai Zhijian company)	15%
Shenzhen Fangda Yunzhu Technology Co., Ltd. (hereinafter Fangda Yunzhu)	15%
Dongguan Fangda New Material Co., Ltd. (hereinafter Fangda Dongguan New Material)	25%
Shanghai Fangda Jianzhi Technology Co., Ltd. (hereinafter Fangda Shanghai Jianzhi)	25%
Shenzhen Fangda Property Development Co., Ltd. (hereinafter Fangda Property Development)	25%
Shenzhen Fangda New Energy Co., Ltd. (hereinafter Fangda New Energy)	25%
Shenzhen Fangda Property Development Co., Ltd. (hereinafter Fangda Property Development)	25%
Jiangxi Fangda Property Development Co., Ltd. (hereinafter Fangda Jiangxi Property Development)	25%
Pingxiang Fangda Luxin New Energy Co., Ltd. (hereinafter Fangda Luxin New Energy)	25%
Nanchang Xinjian Fangda New Energy Co., Ltd. (hereinafter Fangda Xinjian New Energy)	20%
Dongguan Fangda New Energy Co., Ltd. (hereinafter Fangda Dongguan New Energy)	20%
Shenzhen Qianhai Kechuangyuan Software Co., Ltd. (hereinafter Kechuangyuan Software)	15%
Fangda Zhiyuan Technology (Hong Kong) Co., Ltd. (Fangda Zhiyuan Hong Kong)	16.50%
Fangda Zhiyuan Technology (Wuhan) Co., Ltd. (Fangda Wuhan Zhiyuan)	25%
Fangda Zhiyuan Technology (Nanchang) Co., Ltd. (Fangda Nanchang Zhiyuan)	25%
Fangda Zhiyuan Railway Transportation Equipment (Dongguan) Co., Ltd. (hereinafter referred to as Fangda Zhiyuan Dongguan)	20%
General Rail Technology Private Limited	17%
Shihui International Holding Co., Ltd. (hereinafter Fangda Shihui International)	0.00%

Tax payer	Income tax rate
Shenzhen Fangda Investment & Holding Co., Ltd. (hereinafter referred to as "Fangda Investment & Holding")	25%
Fangda Australia Pty Ltd	30%
Shenzhen Fangda Yunzhi Technology Co., Ltd. (hereinafter Fangda Yunzhi)	25%
Shenzhen Zhongrong Litai Investment Co., Ltd. (hereinafter referred to as "Zhongrong Litai")	25%
Chengdu Fangda Curtain Wall Technology Co., Ltd. (hereinafter Fangda Chengdu Curtain Wall)	20%
Fangda Southeast Asia Co., Ltd. (hereinafter Fangda Southeast Asia)	20%
Fangda Construction Technology (Hong Kong) Co., Ltd. (hereinafter Fangda Construction Technology Hong Kong)	16.50%
Shenzhen Yunzhu Testing Technology Co., Ltd. (Hereinafter Fangda Yunzhu Testing)	20%
Shenzhen Fangda Jianchuang Technology Co., Ltd. (hereinafter Fangda Jianchuang)	25%
Shenzhen Fangda Construction Technology Co., Ltd. (hereinafter referred to as Fangda Construction Technology Company)	20%
Fangda Facade Singapore Pte Ltd (hereinafter referred to as Curtain Wall Singapore Company)	17%
FANGDA FACADE PHILIPPINES INC. (hereinafter referred to as Curtain Wall Philippines Company)	20%
GENERAL RAIL TECHNOLOGY PHILIPPINES, INC. (hereinafter referred to as Zhiyuan Philippines Company)	25%
FANGDA GULF DMCC (hereinafter referred to as Curtain Wall Gulf Company)	9%
FANGDA FACADE CONTRACTING L.L.C (hereinafter referred to as "Fangda Facade UAE")	9%
Fangda Facade (NSW) Pty Ltd (hereinafter referred to as "Fangda Facade Sydney")	30%
GLOBAL MEGA INTERNATIONAL HOLDINGS LIMITED (hereinafter referred to as GLOBAL MEGA INTERNATIONAL)	20%

## 2. Tax preference

(1) On December 26, 2024, the subsidiary Fangda Construction Technology obtained the certificate of high-tech enterprise jointly issued by the Industry and Information Technology Bureau of Shenzhen Municipality, Shenzhen Finance Bureau, State Administration of Taxation and Shenzhen Taxation Bureau. The certificate number is GR202444207062. Within three years after obtaining the qualification of high-tech enterprise (from 2024 to 2026), the income tax will be levied at 15%.

(2) On December 26, 2024, the subsidiary Fangda Zhiyuan Technology Co., Ltd. obtained the certificate of high tech enterprise jointly issued by the Industry and Information Technology Bureau of Shenzhen Municipality, Shenzhen Finance Bureau, State Administration of Taxation and Shenzhen Taxation Bureau. The certificate number is GR202444201506. Within three years after obtaining the qualification of high tech enterprise

(from 2024 to 2026), the income tax will be levied at 15%.

(3) On October 16, 2023, the subsidiary Fangda Chengdu Technology obtained the certificate of high tech enterprise No. GR202351000927 jointly issued by the Department of Science and Technology of Sichuan Province, the Department of Finance of Sichuan Province, the State Administration of Taxation and the Sichuan Provincial Taxation Bureau. Within three years after obtaining the qualification of high tech enterprise (2023-2025), the income tax will continue to be levied at 15%.

(4) On November 15, 2023, the subsidiary Fangda Shanghai Zhijian obtained the certificate of high tech enterprise GR202331002267 jointly issued by Shanghai Science and Technology Commission, Shanghai Finance Bureau and Shanghai Taxation Bureau. Within three years (from 2023 to 2025) after obtaining the qualification of high tech enterprise, the income tax will continue to be charged at 15%.

(5) On November 15, 2023, the subsidiary Fangda Yunzhu Co., Ltd. obtained the certificate of high tech enterprise jointly issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau, State Administration of Taxation and Shenzhen Taxation Bureau. The certificate number is GR202344205791. Within three years after obtaining the qualification of high tech enterprise (from 2023 to 2025), the income tax will be levied at 15%.

(6) The subsidiary Kechuangyuan Software is an enterprise located in Qianhai Shenzhen Hong Kong Modern Service Industry Cooperation Zone. Its main business meets the conditions of Preferential Catalogue of Enterprise Income Tax in Qianhai Shenzhen Hong Kong Modern Service Industry Cooperation Zone (2021)(the Regulation shall be implemented from January 1, 2021 to December 31, 2026), and the income tax is levied at 15%.

(7) Pursuant to the "Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementation of Income Tax Preferential Policies for Small and Micro-sized Enterprises" (Announcement No. 13 of 2022), the "Announcement on Income Tax Preferential Policies for Small and Micro-sized Enterprises and Self-employed Businesses" (Announcement No. 6 of 2023), and the "Announcement of the Ministry of Finance and the State Taxation Administration on Further Supporting the Development of Small and Micro-sized Enterprises and Self-employed Businesses with Respect to Relevant

Tax Policies" (Announcement No. 12 of 2023), certain subsidiaries qualified as small and micro-sized enterprises in 2025 and are subject to enterprise income tax in accordance with the aforementioned announcements.

## V. Notes to the consolidated financial statements

### 1. Monetary capital

Item	December 31, 2025	December 31, 2024
Inventory cash:	697.90	148.01
Bank deposits	1,122,843,849.53	1,052,461,034.10
Other monetary capital	278,447,555.29	439,316,159.73
Total	1,401,292,102.72	1,491,777,341.84
Including: total amount deposited in overseas	53,171,687.00	76,232,428.11

Note: (1) Of the closing balance of bank deposits, RMB44,021,919.51 was restricted in use, comprising judicially frozen funds of RMB10,494,858.12, interest on time deposits of RMB58,081.29, regulated funds designated for specific purposes amounting to RMB29,840,625.90, and other restricted funds totaling RMB3,628,354.20. Of the closing balance of other monetary funds, RMB266,304,635.32 was restricted in use, primarily consisting of bankers' acceptance deposit guarantees, interim guarantee deposits, letter of guarantee issuance deposits, and funds in transit. In the preparation of the cash flow statement, the above-mentioned deposits and other restricted deposits are not used as cash and cash equivalents.

(2) In addition, there are no other funds in the monetary funds at the end of the period that have restrictions on use and potential recovery risks due to mortgages, pledges or freezing.

### 2. Transactional financial assets

Item	December 31, 2025	December 31, 2024
Financial assets measured at fair value with variations accounted into current income account	410.06	
Of which: Wealth management products	410.06	
Total	410.06	

### 3. Derivative financial assets

Item	December 31, 2025	December 31, 2024
------	-------------------	-------------------

Item	December 31, 2025	December 31, 2024
Futures contracts	1,459,950.00	
Total	1,459,950.00	

#### 4. Notes receivable

##### (1) Classification of notes receivable

Type	December 31, 2025			December 31, 2024		
	Remaining book value	Bad debt provision	Book value	Remaining book value	Bad debt provision	Book value
Bank acceptance	57,188,013.94		57,188,013.94	39,584,331.31		39,584,331.31
Commercial acceptance	78,591,702.16	14,001,653.10	64,590,049.06	34,946,619.68	643,256.75	34,303,362.93
Total	135,779,716.10	14,001,653.10	121,778,063.00	74,530,950.99	643,256.75	73,887,694.24

(2) The Company has no endorsed or discounted unmature receivable notes at the end of the period.

Item	De-recognized amount	Amount not derecognized
Bank acceptance		30,948,234.15
Commercial acceptance		9,833,296.73
Total		40,781,530.88

Note: The bank-accepted bills discounted or endorsed are accepted by banks with lower credit ratings. Discounting or endorsement does not affect the right of recourse, and the related credit risk and deferred payment risk of the bills have not been transferred; therefore, derecognition has not been made.

##### (3) Disclosure by bad debt accrual method

Type	December 31, 2025				
	Remaining book value		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision rate %	
Provision for bad debts by combination					
Bank acceptance	57,188,013.94	42.12			57,188,013.94
Commercial acceptance	78,591,702.16	57.88	14,001,653.10	17.82	64,590,049.06
Total	135,779,716.10	100.00	14,001,653.10	10.31	121,778,063.00

(Continued)

Type	December 31, 2024		
	Remaining book value	Bad debt provision	Book value

Type	December 31, 2024				
	Remaining book value		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision rate %	
Provision for bad debts by combination					
Bank acceptance	39,584,331.31	53.11			39,584,331.31
Commercial acceptance	34,946,619.68	46.89	643,256.75	1.84	34,303,362.93
Total	74,530,950.99	100.00	643,256.75	0.86	73,887,694.24

## (4) Changes in bad debt provision

Type	December 31, 2024	Change in the period				December 31, 2025
		Provision	Written-back or recovered	Write-off	Other change	
Commercial acceptance	643,256.75	13,358,396.35				14,001,653.10

**5. Account receivable**

## (1) Account age

Age	December 31, 2025	December 31, 2024
Less than 1 year	376,385,477.08	535,457,065.77
1-2 years	227,631,352.53	197,202,489.75
2-3 years	157,587,249.50	196,353,916.70
3-4 years	155,218,151.25	173,116,205.07
4-5 years	120,919,200.03	134,492,519.77
5-6 years	246,826,836.71	
6-7 years	85,242,705.07	261,192,804.06
Over 7 years	118,155,447.36	
Subtotal	1,487,966,419.53	1,497,815,001.12
Less : Bad debt provision	602,449,862.30	374,308,804.14
Total	885,516,557.23	1,123,506,196.98

## (2) Disclosure by bad debt accrual method

Type	December 31, 2025				
	Remaining book value		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision rate %	
Separate bad debt provision	194,500,400.69	13.07	172,387,766.73	88.63	22,112,633.96
Provision for bad debts	1,293,466,018.84	86.93	430,062,095.57	33.25	863,403,923.27

Type	December 31, 2025				
	Remaining book value		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision rate %	
by combination					
1. Portfolio 1: Curtain wall business receivables	929,090,693.39	62.44	382,281,446.58	41.15	546,809,246.81
2. Portfolio 2: Platform screen door business receivables	177,576,351.40	11.93	38,295,527.37	21.57	139,280,824.03
3. Portfolio 3: New materials business receivables	108,037,986.27	7.26	4,269,005.77	3.95	103,768,980.50
4. Portfolio 4: New energy business receivables	26,263,129.43	1.77	1,313,156.47	5.00	24,949,972.96
5. Portfolio 5: Commercial real estate and other receivables	52,497,858.35	3.53	3,902,959.38	7.43	48,594,898.97
Total	1,487,966,419.53	100.00	602,449,862.30	40.49	885,516,557.23

(Continued)

Type	December 31, 2024				
	Remaining book value		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision rate %	
Separate bad debt provision	127,640,916.83	8.51	97,987,987.52	76.77	29,652,929.31
Provision for bad debts by combination	1,370,174,084.29	91.49	276,320,816.62	20.17	1,093,853,267.67
1. Portfolio 1: Engineering operations section	1,201,581,352.19	80.23	270,560,899.59	22.52	931,020,452.60
2. Portfolio 2: Real estate business payments	87,166,812.19	5.82	2,181,218.43	2.50	84,985,593.76
3. Portfolio 3: Other business models	81,425,919.91	5.44	3,578,698.60	4.40	77,847,221.31
Total	1,497,815,001.12	100.00	374,308,804.14	24.99	1,123,506,196.98

Method of bad debt provision:

① As of December 31, 2025, explanation for allowance for doubtful accounts provided on an individual basis:

Name	December 31, 2025		
	Remaining book value	Bad debt provision	Providing rate (%)
Customer 1	54,873,223.21	54,873,223.21	100.00

Name	December 31, 2025		
	Remaining book value	Bad debt provision	Providing rate (%)
Customer 2	45,507,085.02	42,914,882.44	94.30
Customer 6	38,886,078.45	23,331,647.07	60.00
Customer 5	19,722,254.14	19,722,254.14	100.00
Customer 3	13,461,834.96	13,461,834.96	100.00
Customer 7	9,915,000.00	5,949,000.00	60.00
Customer 4	7,096,421.00	7,096,421.00	100.00
Other customers	5,038,503.91	5,038,503.91	100.00
Total	194,500,400.69	172,387,766.73	88.63

As of December 31, 2024, explanation for allowance for doubtful accounts provided on an individual basis:

Name	December 31, 2024		
	Remaining book value	Bad debt provision	Provision rate %
Customer 1	54,873,223.21	54,873,223.21	100.00
Customer 2	47,210,577.56	23,605,288.79	50.00
Customer 3	13,461,834.96	13,461,834.96	100.00
Customer 4	7,096,421.00	3,548,210.50	50.00
Customer 5	4,998,860.10	2,499,430.06	50.00
Total	127,640,916.83	97,987,987.52	76.77

Note: Due to certain customers experiencing prolonged non-payment, material debt defaults, bankruptcy reorganization, or similar circumstances, the Company has determined that full recovery of receivables from these customers is uncertain. In accordance with the prudence principle, the Company has individually provided for impairment losses on these accounts receivable.

② As of December 31, 2025, accounts receivable for which allowance for doubtful accounts is provided based on Portfolio 1 – Curtain Wall Business Receivables

Age	December 31, 2025		
	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	193,396,954.28	9,669,847.69	5.00
1-2 years	142,488,723.59	28,497,744.72	20.00
2-3 years	105,103,593.43	26,275,898.36	25.00
3-4 years	96,348,934.35	33,722,127.02	35.00

Age	December 31, 2025		
	Remaining book value	Bad debt provision	Providing rate (%)
4-5 years	93,402,372.04	42,031,067.42	45.00
5-6 years	108,866,523.21	65,319,913.93	60.00
6-7 years	84,791,633.64	72,072,888.59	85.00
Over 7 years	104,691,958.85	104,691,958.85	100.00
Total	929,090,693.39	382,281,446.58	41.15

As of December 31, 2025, accounts receivable for which allowance for doubtful accounts is provided based on Portfolio 2 – Platform Screen Door Business Receivables

Age	December 31, 2025		
	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	67,079,150.77	670,791.51	1.00
1-2 years	41,821,251.41	3,345,700.11	8.00
2-3 years	17,858,570.89	3,571,714.18	20.00
3-4 years	30,471,497.81	12,188,599.12	40.00
4-5 years	6,090,526.91	4,263,368.84	70.00
Over 5 years	14,255,353.61	14,255,353.61	100.00
Total	177,576,351.40	38,295,527.37	21.57

As of December 31, 2024, accounts receivable for which allowance for doubtful accounts is provided based on Portfolio 1 – Engineering Business Receivables

Age	December 31, 2024		
	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	434,542,505.23	8,518,488.97	1.96
1-2 years	153,324,126.70	8,678,145.58	5.66
2-3 years	169,472,582.50	21,624,701.52	12.76
3-4 years	170,186,095.94	33,628,772.56	19.76
4-5 years	133,612,334.38	57,667,083.52	43.16
Over 5 years	140,443,707.44	140,443,707.44	100.00
Total	1,201,581,352.19	270,560,899.59	22.52

③ As of December 31, 2025, accounts receivable for which allowance for doubtful accounts is provided based on Portfolio 3 – New Materials Business Receivables

Age	December 31, 2025		
-----	-------------------	--	--

	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	68,862,940.96	688,629.38	1.00
1-2 years	26,702,188.50	1,335,109.43	5.00
2-3 years	9,566,410.63	956,641.06	10.00
3-4 years	1,982,076.04	396,415.21	20.00
4-5 years	64,318.91	32,159.46	50.00
Over 5 years	860,051.23	860,051.23	100.00
Total	108,037,986.27	4,269,005.77	3.95

As of December 31, 2025, accounts receivable for which allowance for doubtful accounts is provided based on Portfolio 4 – New Energy Business Receivables

Age	December 31, 2025		
	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	12,303,649.40	615,182.47	5.00
1-2 years	9,805,984.58	490,299.23	5.00
2-3 years	4,153,495.45	207,674.77	5.00
Total	26,263,129.43	1,313,156.47	5.00

As of December 31, 2024, accounts receivable for which allowance for doubtful accounts is provided based on Portfolio 3 – Other Business Receivables

Age	December 31, 2024		
	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	44,731,417.29	326,523.94	0.73
1-2 years	23,798,443.43	499,767.31	2.10
2-3 years	8,896,019.47	749,044.84	8.42
3-4 years	2,496,128.86	618,540.73	24.78
4-5 years	880,185.39	761,096.31	86.47
Over 5 years	623,725.47	623,725.47	100.00
Total	81,425,919.91	3,578,698.60	4.40

④ As of December 31, 2025, accounts receivable for which allowance for doubtful accounts is provided based on Portfolio 5 – Commercial Real Estate and Other Receivables

Age	December 31, 2025		
	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	33,050,286.15	330,502.85	1.00
1-2 years	3,817,774.69	190,888.73	5.00

Age	December 31, 2025		
	Remaining book value	Bad debt provision	Providing rate (%)
2-3 years	10,394,417.17	1,559,162.58	15.00
3-4 years	4,874,916.49	1,462,474.95	30.00
4-5 years	1,333.96	800.38	60.00
Over 5 years	359,129.89	359,129.89	100.00
Total	52,497,858.35	3,902,959.38	7.43

As of December 31, 2024, accounts receivable for which allowance for doubtful accounts is provided based on Portfolio 2 – Real Estate Business Receivables

Age	December 31, 2024		
	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	54,413,740.54	543,431.46	1.00
1-2 years	16,671,818.48	833,590.92	5.00
2-3 years	16,079,919.21	803,995.96	5.00
3-4 years	1,333.96	200.09	15.00
Total	87,166,812.19	2,181,218.43	2.50

Provision for bad debts by combination: 11.

### (3) Changes in bad debt provision

Type	December 31, 2024	Change in the period				December 31, 2025
		Provision	Written-back or recovered	Write-off	Other change	
Separate bad debt provision	97,987,987.52	74,399,779.21				172,387,766.73
Provision for bad debts by combination	276,320,816.62	160,605,310.49		6,869,566.78	-5,535.24	430,062,095.57
Total	374,308,804.14	235,005,089.70		6,869,566.78	-5,535.24	602,449,862.30

### (4) Written-off account receivable during the period

Item	Amount
Account receivable written off	6,869,566.78

(5) Accounts receivable and contract assets with the five largest outstanding balances by debtor as of the reporting date

The aggregate amount of the five largest accounts receivable (including contract assets) by debtor as of the reporting date in the current period is RMB460,203,390.85, representing

12.02% of the total accounts receivable (including contract assets) as of the reporting date. The corresponding aggregate allowance for doubtful accounts as of the reporting date amounts to RMB118,166,624.28.

## 6. Receivable financing

### (1) Classification of notes receivable

Item	Fair Value on Wednesday, December 31, 2025	Fair Value on Tuesday, December 31, 2024
Notes receivable		4,568,000.10

### (2) Trade receivables financing that have been endorsed or discounted but not yet matured as of the reporting date

Item	De-recognized amount	Amount not derecognized
Bank acceptance	33,761,787.71	

## 7. Prepayment

### (1) Account age of prepayments

Age	December 31, 2025		December 31, 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Less than 1 year	15,477,666.96	75.85	17,938,392.45	76.81
1-2 years	527,430.05	2.58	1,949,630.86	8.35
2-3 years	1,346,844.99	6.60	1,404,616.03	6.01
Over 3 years	3,056,026.16	14.97	2,062,396.77	8.83
Total	20,407,968.16	100.00	23,355,036.11	100.00

Note: At the end of the period, there is no significant prepayment with an aging of more than one year.

### (2) Balance of top 5 prepayments at the end of the period

The total of top5 prepayments in terms of the prepaid entities in the period is RMB5,261,681.15, accounting for 25.78% of the total prepayments at the end of the period.

## 8. Other receivables

### (1) Classification of notes receivable

Item	December 31, 2025	December 31, 2024
Other receivables	120,173,307.70	168,322,524.80
Total	120,173,307.70	168,322,524.80

## (2) Other receivables

## (1) Disclosure by age

Age	December 31, 2025	December 31, 2024
Less than 1 year	17,089,433.93	45,432,663.12
1-2 years	7,682,149.15	11,015,466.34
2-3 years	10,634,476.62	4,495,902.18
3-4 years	2,289,785.12	3,882,310.18
4-5 years	3,229,224.11	9,518,614.26
Over 5 years	91,455,364.51	102,013,397.33
Subtotal	132,380,433.44	176,358,353.41
Less : Bad debt provision	12,207,125.74	8,035,828.61
Total	120,173,307.70	168,322,524.80

## (2) Classification by nature of funds

By nature	December 31, 2025	December 31, 2024
Deposit and pledge paid	78,067,608.63	101,364,611.15
Construction borrowing and advanced payment	37,322,734.05	39,950,652.16
Staff borrowing and petty cash	2,942,771.01	3,221,577.94
VAT refund receivable	527,217.36	642,493.02
Refundable advance payments	2,713,230.50	18,884,265.12
Others	10,806,871.89	12,294,754.02
Subtotal	132,380,433.44	176,358,353.41
Less : Bad debt provision	12,207,125.74	8,035,828.61
Total	120,173,307.70	168,322,524.80

## ③ Method of bad debt Disclosed

A. The provision for bad debts as at Wednesday, December 31, 2025 is based on the three-phase model as follows:

Step segment	Remaining book value	Bad debt provision	Book value
First stage	114,617,240.74	1,928,103.44	112,689,137.30
Second stage	9,603,537.62	3,379,335.58	6,224,202.04
Third stage	8,159,655.08	6,899,686.72	1,259,968.36
Total	132,380,433.44	12,207,125.74	120,173,307.70

As at Wednesday, December 31, 2025, the first phase of the provision for bad debts:

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
Separate bad debt provision				
Provision for bad debts by combination	114,617,240.74	1.68	1,928,103.44	112,689,137.30
Portfolio 3: deposit and margin receivable	74,212,037.53	1.47	1,089,166.39	73,122,871.14
Combination 4: Advances receivable	33,834,318.73	1.75	593,422.94	33,240,895.79
Portfolio 5: VAT refund receivable	527,217.36	1.00	5,272.17	521,945.19
Portfolio 7: Other receivables	6,043,667.12	3.98	240,241.94	5,803,425.18
Total	114,617,240.74	1.68	1,928,103.44	112,689,137.30

As at Wednesday, December 31, 2025, the second phase of the provision for bad debts:

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
Separate bad debt provision				
Provision for bad debts by combination	9,603,537.62	35.19	3,379,335.58	6,224,202.04
Portfolio 3: deposit and margin receivable	2,129,187.67	41.30	879,423.91	1,249,763.76
Combination 4: Advances receivable	3,463,081.82	41.43	1,434,706.36	2,028,375.46
Portfolio 7: Other receivables	4,011,268.13	26.56	1,065,205.31	2,946,062.82
Total	9,603,537.62	35.19	3,379,335.58	6,224,202.04

As at Wednesday, December 31, 2025, the third phase of the provision for bad debts:

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
Separate bad debt provision				
Provision for bad debts by combination	8,159,655.08	84.56	6,899,686.72	1,259,968.36
Portfolio 3: Receivables from deposits and guarantees	1,726,383.43	100.00	1,726,383.43	
Combination 4: Advances receivable	25,333.50	100.00	25,333.50	
Portfolio 7: Other receivables	6,407,938.15	80.34	5,147,969.79	1,259,968.36
Total	8,159,655.08	84.56	6,899,686.72	1,259,968.36

B. The provision for bad debts as at December 31, 2024 is based on the three-phase model as follows:

Step segment	Remaining book value	Bad debt provision	Book value
--------------	----------------------	--------------------	------------

Step segment	Remaining book value	Bad debt provision	Book value
First stage	167,771,508.00	2,498,265.50	165,273,242.50
Second stage	3,143,590.00	94,307.70	3,049,282.30
Third stage	5,443,255.41	5,443,255.41	-
Total	176,358,353.41	8,035,828.61	168,322,524.80

As at Tuesday, December 31, 2024, the first phase of the provision for bad debts:

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
Separate bad debt provision				
Provision for bad debts by combination	167,771,508.00	1.49	2,498,265.50	165,273,242.50
Portfolio 3: deposit and margin receivable	98,762,459.86	1.49	1,467,815.07	97,294,644.79
Combination 4: Advances receivable	59,510,857.52	1.49	888,914.26	58,621,943.26
Portfolio 5: VAT refund receivable	642,493.02	1.49	9,573.15	632,919.87
Portfolio 7: Other receivables	8,855,697.60	1.49	131,963.02	8,723,734.58
Total	167,771,508.00	1.49	2,498,265.50	165,273,242.50

As at Tuesday, December 31, 2024, the second phase of the provision for bad debts:

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
Separate bad debt provision				
Provision for bad debts by combination	3,143,590.00	3.00	94,307.70	3,049,282.30
Portfolio 3: deposit and margin receivable	1,060,000.00	3.00	31,800.00	1,028,200.00
Combination 4: Advances receivable	1,645,090.00	3.00	49,352.70	1,595,737.30
Portfolio 7: Other receivables	438,500.00	3.00	13,155.00	425,345.00
Total	3,143,590.00	3.00	94,307.70	3,049,282.30

As at Tuesday, December 31, 2024, the third phase of the provision for bad debts:

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
Separate bad debt provision				
Provision for bad debts by combination	5,443,255.41	100.00	5,443,255.41	
Portfolio 3: Receivables from deposits and guarantees	1,542,151.29	100.00	1,542,151.29	
Combination 4: Advances receivable	900,547.70	100.00	900,547.70	
Portfolio 7: Other receivables	3,000,556.42	100.00	3,000,556.42	
Total	5,443,255.41	100.00	5,443,255.41	

The amount of the bad debt provision is Basis:

Provision for bad debts by combination: 11.

④ Changes in bad debt provision

Type	December 31, 2024	Change in the period				December 31, 2025
		Provision	Written-back or recovered	Write-off	Other change	
Separate bad debt provision						
Provision for bad debts by combination	8,035,828.61	4,181,353.42		9,825.48	230.81	12,207,125.74
Total	8,035,828.61	4,181,353.42		9,825.48	230.81	12,207,125.74

⑤ Other receivables actually written off in the current period

Item	Amount
Other receivable written off	9,825.48

⑥ Balance of top 5 other receivables at the end of the period

Entity	By nature	Balance on Wednesday, December 31, 2025	Age	Percentage (%)	Bad debt provision
Shenzhen Yikang Real Estate Co. Ltd.	Margin and current account	6,000,000.00	2-3 years	57.46	60,000.00
		70,062,675.83	Over 5 years		700,626.76
Shenzhen Dakang Joint-Stock Cooperative Company	Deposit	8,000,000.00	Over 5 years	6.04	80,000.00
Shenzhen Ganshang Joint Investment Co., Ltd.	Investment payment	3,791,089.25	Over 5 years	2.86	2,531,120.89
Bangshen Electronics (Shenzhen) Co., Ltd.	Deposit	3,000,000.00	Over 5 years	2.27	30,000.00
Shenzhen Tongmeng Decoration Technology Co., Ltd.	Reimbursable expenses	939,115.00	1-2 years	0.71	187,823.00
		1,534,115.50	2-3 years	1.16	383,528.88
Total		93,326,995.58		70.50	3,973,099.53

**9. Inventory**

## (1) Classification of inventories

Item	December 31, 2025			December 31, 2024		
	Remaining book value	Provision for inventory depreciation or contract performance cost impairment provision	Book value	Remaining book value	Provision for inventory depreciation or contract performance cost impairment provision	Book value
Raw materials	111,622,459.00		111,622,459.00	111,139,470.37		111,139,470.37
Product in process	100,255,413.90		100,255,413.90	91,796,788.96		91,796,788.96
Finished goods in stock	41,225,785.96		41,225,785.96	8,694,704.45		8,694,704.45
Development cost	202,021,658.94		202,021,658.94	230,990,938.09		230,990,938.09
Development products	116,643,162.68	23,306,214.74	93,336,947.94	124,380,755.91		124,380,755.91
OEM materials	19,692,260.21		19,692,260.21	13,483,327.00		13,483,327.00
Contract performance costs	81,997,883.89		81,997,883.89	102,358,825.07		102,358,825.07
Goods delivered	27,530,506.85		27,530,506.85	20,251,212.30		20,251,212.30
Materials in transit	7,375,501.87		7,375,501.87	2,570,386.59		2,570,386.59
Total	708,364,633.30	23,306,214.74	685,058,418.56	705,666,408.74		705,666,408.74

## (2) Provision for inventory depreciation or contract performance cost impairment provision

Item	December 31, 2024	Increase in this period		Decrease in this period		December 31, 2025
		Provision	Others	Recover or write-off	Others	
Development products		23,306,214.74				23,306,214.74

## (3) Description of ending inventory balance including capitalization amount of borrowing costs:

As of December 31, 2025, the capitalized borrowing costs included in inventory balances amounted to RMB4,470,824.99. The calculation basis and criteria for borrowing costs are disclosed in Note III.20.

## (4) Development cost

Item	Starting time	Estimated finish time	Estimated total investment	December 31, 2025	December 31, 2024	Closing depreciation provision
Dakang Village Project in Shenzhen	December 1, 2028	December 31, 2034	RMB3.6 billion	202,021,658.94	201,016,423.09	
Fangda Bangshen Industry Park					29,974,515.00	
Total			RMB3.6 billion	202,021,658.94	230,990,938.09	

Note: On November 6, 2017, Fangda Property Co., Ltd., a subsidiary of the Company, entered into the "Co-Development Agreement for the Fangda Bangshen Industrial Park (provisional name) Urban Renewal Project" with Bangshen Electronics (Shenzhen) Co., Ltd., agreeing to jointly advance this "industrial-to-industrial" urban renewal project under a co-development model. During project implementation, objective factors—including policy adjustments related to the "Lixin Lake Area Integrated Planning" in Bao'an District, Shenzhen, and changes in the market environment—continuously impeded progress, making it impossible to proceed as originally planned. After amicable negotiations, both parties formally signed a termination agreement on November 10, 2025, mutually agreeing to terminate the aforementioned co-development agreement. Effective from the date of effectiveness of the termination agreement, Fangda Property Co., Ltd. will no longer participate in the subsequent development or related operations of the Fangda Bangshen Industrial Park project.

## (5) Development products

Item Name	Completion time	December 31, 2024	Current period Increase	Decrease	December 31, 2025	Closing depreciation provision
Phase I of Fangda Town	29 December 2016	15,532,505.97			15,532,505.97	
Nanchang Fangda Center	April 27, 2021	108,848,249.94		7,737,593.23	101,110,656.71	23,306,214.74
Total		124,380,755.91		7,737,593.23	116,643,162.68	23,306,214.74

**10. Contract assets**

## (1) Contract assets

Item	December 31, 2025			December 31, 2024		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Completed and unsettled project funds that fail to meet the collection conditions	2,007,031,514.79	197,762,492.62	1,809,269,022.17	2,303,529,715.41	196,836,354.61	2,106,693,360.80
Quality guarantee deposit that fails to meet the collection conditions	332,521,906.40	27,924,265.40	304,597,641.00	262,289,726.50	24,254,807.14	238,034,919.36
Sales funds with conditional collection right				52,852,539.43	727,775.89	52,124,763.54
Subtotal	2,339,553,421.19	225,686,758.02	2,113,866,663.17	2,618,671,981.34	221,818,937.64	2,396,853,043.70
Less: Contract assets shown in other non-current assets	125,214,302.34	9,438,790.60	115,775,511.74	160,412,051.45	11,257,487.71	149,154,563.74
Total	2,214,339,118.85	216,247,967.42	1,998,091,151.43	2,458,259,929.89	210,561,449.93	2,247,698,479.96

## (2) Disclosure by impairment method

Type	December 31, 2025				
	Remaining book value		Impairment provision		Book value
	Amount	Proportion (%)	Amount	Provision rate %	
Provision for impairment by single item	8,992,352.88	0.41	8,992,352.88	100.00	
Provision for impairment by portfolio	2,205,346,765.97	99.59	207,255,614.54	9.40	1,998,091,151.43
Portfolio 2: Completed and unsettled project not meeting collection conditions	1,998,039,161.91	90.23	188,770,139.73	9.45	1,809,269,022.18
Portfolio 3: Quality guarantee deposit not meeting collection conditions	207,307,604.06	9.36	18,485,474.81	8.92	188,822,129.25
Total	2,214,339,118.85	100.00	216,247,967.42	9.77	1,998,091,151.43

(Continued)

Type	December 31, 2024		
	Remaining book value	Impairment provision	Book value

	Amount	Proportion (%)	Amount	Provision rate %	
Provision for impairment by single item	16,288,576.53	0.66	9,033,247.20	55.46	7,255,329.33
Provision for impairment by portfolio	2,441,971,353.36	99.34	201,528,202.73	8.25	2,240,443,150.63
Combination 1: sales payment with conditional collection right	52,852,539.43	2.15	727,775.89	1.38	52,124,763.54
Portfolio 2: Completed and unsettled project not meeting collection conditions	2,286,329,426.34	93.01	187,097,333.23	8.18	2,099,232,093.11
Portfolio 3: Quality guarantee deposit not meeting collection conditions	102,789,387.59	4.18	13,703,093.61	13.33	89,086,293.98
Total	2,458,259,929.89	100.00	210,561,449.93	8.57	2,247,698,479.96

Note: Due to certain customers' prolonged non-payment, material debt defaults, and bankruptcy reorganization proceedings, the Company has determined that there is uncertainty regarding the full recovery of receivables from these customers. In accordance with the prudence principle, the Company has individually recognized impairment allowances on contract assets related to these customers.

### (3) Change in provision for impairment

Item	December 31, 2024	Change in the period				December 31, 2025
		Provision	Transferred back in the current period	Written off in the current period	Other change	
Separate bad debt provision	9,033,247.20	7,214,435.01			7,255,329.33	8,992,352.88
Provision for bad debts by combination	201,528,202.73	6,530,406.95		802,995.14		207,255,614.54
Total	210,561,449.93	13,744,841.96		802,995.14	7,255,329.33	216,247,967.42

Note: The "Other changes" in the current period primarily result from the reclassification of contract assets previously subject to individual impairment assessments into accounts receivable for accounting purposes.

### 11. Other current assets

Item	December 31, 2025	December 31, 2024
Reclassification of VAT debit balance	280,607,689.94	292,626,079.84
Overpayment and prepayment of	13,030,950.36	11,197,246.58

Item	December 31, 2025	December 31, 2024
income tax		
Other prepaid taxes	4,482.73	949,974.83
Payment to be collected on behalf of suppliers	3,003,841.89	3,003,841.89
Total	296,646,964.92	307,777,143.14

## 12. Long-term share equity investment

### (1) Long-term share equity investment

Invested entity	Book value on December 31, 2024	Change (+,-)				
		Increased investment	Decreased investment	Investment gain and loss recognized using the equity method	Other miscellaneous income adjustment	Other equity change
1. Joint venture						
2. Associate						
Shenzhen Ganshang Joint Investment Co., Ltd.	2,402,841.50			410.96		
Jiangxi Business Innovative Property Joint Stock Co., Ltd.	54,288,132.47			-23,702,740.30		
Total	56,690,973.97			-23,702,329.34		

(Continued)

Invested entity	Change (+,-)			Book value on December 31, 2025	Balance of provision for impairment on December 31, 2025
	Cash dividend or profit announced	Impairment provision	Others		
1. Joint venture					
2. Associate					
Shenzhen Ganshang Joint Investment Co., Ltd.				2,403,252.46	
Jiangxi Business Innovative Property Joint Stock Co., Ltd.				30,585,392.17	
Total				32,988,644.63	

## 13. Other non-current financial assets

Item	December 31, 2025	December 31, 2024
------	-------------------	-------------------

Item	December 31, 2025	December 31, 2024
Financial assets measured at fair value with variations accounted into current income account	6,516,131.63	6,519,740.17
Total	6,516,131.63	6,519,740.17

#### 14. Investment real estate

##### (1) Investment real estate measured at fair value

Item	Houses & buildings	Total
1. December 31, 2024	5,835,036,098.20	5,835,036,098.20
2. Increase in this period	24,075,324.78	24,075,324.78
(1) Purchased	24,075,324.78	24,075,324.78
3. Decrease in this period	310,739,996.48	310,739,996.48
(1) Disposal	30,008,027.81	30,008,027.81
(3) Change in fair value Change in fair value	280,731,968.67	280,731,968.67
4. December 31, 2025	5,548,371,426.50	5,548,371,426.50

Notes:

① The primary basis for determining the fair value of investment properties is the "Real Estate Appraisal Reports" issued by Shenzhen Guoyu Appraisal Co., Ltd., Real Estate and Land Valuation Consultants, with report numbers "Shen Guoyu Ping Zi (2026) No. 01017-1", "Shen Guoyu Ping Zi (2026) No. 01017-2", "Shen Guoyu Ping Zi (2026) No. 01015", "Shen Guoyu Ping Zi (2026) No. 01016", "Shen Guoyu Ping Zi (2026) No. 01017-3", "Shen Guoyu Ping Zi (2026) No. 01014", "Shen Guoyu Ping Zi (2026) No. 01017-4", "Shen Guoyu Ping Zi (2026) No. 01017-5", and "Shen Guoyu Ping Zi (2026) No. 01017-6".

② As of December 31, 2025, certain real estate properties within Fangda Town have been pledged to China Post Savings Bank Co., Ltd. as collateral for loans. These loans have not yet matured and the pledge has not been released. The fair value of these pledged properties amounts to RMB33,494,907,000.

##### (2) Investment real estate without ownership certificate

Item	Book value	Reason
3 units at Lanzhou Railway - City Dawn	2,606,238.53	The developer is completing the relevant procedures

#### 15. Fixed assets

##### (1) Classification of notes receivable

Item	December 31, 2025	December 31, 2024
Fixed assets	940,980,113.90	939,548,074.59
Disposal of fixed assets		1,346,269.80
Total	940,980,113.90	940,894,344.39

## (2) Fixed assets

## (1) Fixed assets

Item	Houses & buildings	Mechanical equipment	Transportation facilities	Electronics and other devices	PV power plants	Total
I. Original book value:						
1. December 31, 2024	856,161,214.35	128,885,604.12	21,320,277.19	51,360,255.80	129,754,129.46	1,187,481,480.92
2. Increase in this period	23,945,388.81	11,434,828.35	348,518.21	5,802,795.91	997,411.91	42,528,943.19
(1) Purchase	441,598.49	11,434,828.35	348,518.21	5,801,200.18	997,411.91	19,023,557.14
(2) Transfer-in of construction in progress	23,503,790.32					23,503,790.32
(3) Other increases				1,595.73		1,595.73
3. Decrease in this period	66,049.00	1,107,225.01	980,448.08	1,532,083.91	1,184,005.13	4,869,811.13
(1) Disposal or retirement	66,049.00	1,107,225.01	972,075.11	1,530,164.75	1,184,005.13	4,859,519.00
(2) Other decrease			8,372.97	1,919.16		10,292.13
4. December 31, 2025	880,040,554.16	139,213,207.46	20,688,347.32	55,630,967.80	129,567,536.24	1,225,140,612.98
II. Accumulative depreciation						
1. December 31, 2024	87,653,570.30	59,286,500.08	15,592,743.42	32,441,506.84	52,954,004.49	247,928,325.13
2. Increase in this period	19,456,697.12	7,814,507.94	864,757.85	2,858,954.95	6,181,413.13	37,176,330.99
(1) Provision	19,456,697.12	7,814,507.94	864,757.85	2,858,836.91	6,181,413.13	37,176,212.95
(2) Other increases				118.04		118.04
3. Decrease in this period	27,856.84	891,857.61	883,240.57	1,290,121.03	506,162.19	3,599,238.24
(1) Disposal or retirement	27,856.84	891,857.61	874,867.60	1,288,201.87	506,162.19	3,588,946.11
(2) Other decrease			8,372.97	1,919.16		10,292.13
4. December 31, 2025	107,082,410.58	66,209,150.41	15,574,260.70	34,010,340.76	58,629,255.43	281,505,417.88
III. Impairment provision						
1. December 31,		5,081.20				5,081.20

Item	Houses & buildings	Mechanical equipment	Transportation facilities	Electronics and other devices	PV power plants	Total
2024						
2. Increase in this period		2,650,000.00				2,650,000.00
(1) Provision		2,650,000.00				2,650,000.00
3. Decrease in this period						
(1) Disposal or retirement						
4. December 31, 2025		2,655,081.20				2,655,081.20
IV. Book value of fixed assets						
1. Book value as at December 31, 2025	772,958,143.58	70,348,975.85	5,114,086.62	21,620,627.04	70,938,280.81	940,980,113.90
2. Book value as at December 31, 2024	768,507,644.05	69,594,022.84	5,727,533.77	18,918,748.96	76,800,124.97	939,548,074.59

Note: The "Other increases and decreases" are primarily due to exchange rate fluctuations.

② Fixed assets without ownership certificate

Item	Book value on December 31, 2025	Reason
Yuehai Office Building C 502	94,206.21	Historical reasons

**16. Construction in process**

(1) Classification of notes receivable

Item	December 31, 2025	December 31, 2024
Construction in process	1,214,530.34	7,265,104.44
Total	1,214,530.34	7,265,104.44

2. Construction in process

(1) Construction in progress

Item	December 31, 2025			December 31, 2024		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Fangda (Ganzhou) Low-Carbon Intelligent Manufacturing Base – Phase I Exhibition Hall	133,381.74		133,381.74	7,018,372.92		7,018,372.92

Item	December 31, 2025			December 31, 2024		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
and Installed Equipment						
Songshan lake production base exhibition hall renovation	583,502.56		583,502.56	246,731.52		246,731.52
Software and other information technology projects	497,646.04		497,646.04			
Total	1,214,530.34		1,214,530.34	7,265,104.44		7,265,104.44

Explanation: As of December 31, 2025, the Company's construction in progress showed no indication of impairment.

## 17. Use right assets

### (1) Right-to-use assets

Item	Houses & buildings	Transportation facilities	Total
I. Original book value:			
1. December 31, 2024	17,835,398.71	9,285,061.69	27,120,460.40
2. Increase in this period	3,811,719.28		3,811,719.28
3. Decrease in this period	2,356,058.01	2,139,970.72	4,496,028.73
4. December 31, 2025	19,291,059.98	7,145,090.97	26,436,150.95
II. Accumulative depreciation			
1. December 31, 2024	9,589,374.43	1,847,964.93	11,437,339.36
2. Increase in this period	3,153,312.19	1,236,213.69	4,389,525.88
(1) Provision	3,153,312.19	1,236,213.69	4,389,525.88
3. Decrease in this period	1,743,811.77	1,116,908.93	2,860,720.70
(1) Disposal	1,743,811.77	1,116,908.93	2,860,720.70
4. December 31, 2025	10,998,874.85	1,967,269.69	12,966,144.54
III. Impairment provision			
1. December 31, 2024			
2. Increase in this period			
3. Decrease in this period			
4. December 31, 2025			
IV. Book value			
1. Book value as at December 31, 2025	8,292,185.13	5,177,821.28	13,470,006.41

Item	Houses & buildings	Transportation facilities	Total
2. Book value as at December 31, 2024	8,246,024.28	7,437,096.76	15,683,121.04

## (2) Impairment testing of right-of-use assets

As of December 31, 2025, there was no indication of impairment of the Company's right-of-use assets.

**18. Intangible assets**

## (1) Intangible assets

Item	Land using right	Patent	Software	Others	Total
I. Book value					
1. December 31, 2024	142,009,721.92	9,059,872.37	24,267,321.82	720,000.00	176,056,916.11
2. Increase in this period		426,186.52	4,242,674.77		4,668,861.29
(1) Purchase		426,186.52	4,242,674.77		4,668,861.29
3. Decrease in this period	48,330,450.00	2,012,338.04	243,323.66		50,586,111.70
(1) Disposal	48,330,450.00	2,012,338.04	243,323.66		50,586,111.70
4. December 31, 2025	93,679,271.92	7,473,720.85	28,266,672.93	720,000.00	130,139,665.70
II. Accumulative amortization					
1. December 31, 2024	24,105,634.24	8,946,369.49	15,108,511.74		48,160,515.47
2. Increase in this period	2,546,293.68	417,108.04	2,011,794.37	180,000.00	5,155,196.09
(1) Provision	2,546,293.68	417,108.04	2,011,794.37	180,000.00	5,155,196.09
3. Decrease in this period	3,179,444.15	2,012,113.04	243,323.66		5,434,880.85
(1) Disposal	3,179,444.15	2,012,113.04	243,323.66		5,434,880.85
4. December 31, 2025	23,472,483.77	7,351,364.49	16,876,982.45	180,000.00	47,880,830.71
III. Impairment provision					
1. December 31, 2024	3,844,005.85				3,844,005.85
2. Increase in this period					
3. Decrease in this period	3,844,005.85				3,844,005.85
(1) Disposal	3,844,005.85				3,844,005.85
4. December 31, 2025					
IV. Book value					
1. Book value as at December 31, 2025	70,206,788.15	122,356.36	11,389,690.48	540,000.00	82,258,834.99
2. Book value as at December 31, 2024	114,060,081.83	113,502.88	9,158,810.08	720,000.00	124,052,394.79

## (2) Failure to obtain the land use right certificates

At the end of the period, the Company had no land use right without the property right certificate.

**19. Long-term amortizable expenses**

Item	December 31, 2024	Increase	Decrease		December 31, 2025
			Amortized	Other decrease	
Expenditures on modifications to property, plant and equipment, etc.	4,041,025.70	6,933,834.00	4,393,633.54	18,731.19	6,562,494.97

**20. Differed income tax assets and differed income tax liabilities**

## (1) Non-deducted deferred income tax assets

Item	December 31, 2025		December 31, 2024	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	251,624,427.59	40,453,268.46	227,880,793.93	35,025,619.90
Credit impairment provision	626,126,565.76	100,493,765.98	382,932,070.72	60,483,324.52
Unrealizable gross profit	122,552,188.00	28,685,612.51	108,593,435.66	26,573,799.68
Deductible loss	486,268,366.84	91,973,864.74	286,565,331.75	67,193,424.59
Anticipated liabilities	7,214,622.24	1,082,193.35	4,191,535.03	628,730.25
Unrealized investment income	281,712,399.15	55,842,834.35	281,712,399.15	55,842,834.35
Deferred earning	21,913,458.18	3,518,841.84	5,946,064.06	1,041,584.25
Change in fair value	10,239,089.49	1,535,863.42	8,623,065.19	1,303,042.83
Lease liabilities	13,623,096.04	2,469,342.96	15,352,065.96	2,788,081.55
Accrued and unpaid land tax	15,043,321.06	3,760,830.27	16,012,293.28	4,003,073.33
Reserved expense	36,589,539.42	5,488,430.92	36,589,539.42	5,488,430.92
Tax and accounting differences for overseas subsidiaries	7,121,041.73	2,136,312.52	8,617,276.57	2,585,182.97
Total	1,880,028,115.50	337,441,161.32	1,383,015,870.72	262,957,129.14

## (2) Non-deducted deferred income tax liabilities

Item	December 31, 2025		December 31, 2024	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities

Item	December 31, 2025		December 31, 2024	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Change in fair value	4,014,727,945.14	1,000,546,168.91	4,296,974,960.10	1,071,313,064.75
Acquire premium to form inventory	1,535,605.48	383,901.37	1,535,605.48	383,901.37
Use right assets	13,470,006.41	2,564,776.55	15,683,121.04	2,901,986.66
Estimated gross margin when Fangda Town records income, but does not reach the taxable income level	8,000,812.74	2,000,203.19	24,131,708.41	6,032,927.10
Rental income	24,631,068.63	6,157,767.16	26,717,859.03	6,679,464.47
Total	4,062,365,438.40	1,011,652,817.18	4,365,043,254.06	1,087,311,344.35

## (3) Net deferred income tax assets or liabilities listed

Item	Deferred income tax assets and liabilities on December 31, 2025	Offset balance of deferred income tax assets or liabilities after offsetting on December 31, 2025	Deferred income tax assets and liabilities on December 31, 2024	Offset balance of deferred income tax assets or liabilities after offsetting on December 31, 2024
Deferred income tax assets	70,572,127.96	266,869,033.36	56,970,202.43	205,986,926.71
Deferred income tax liabilities	70,572,127.96	941,080,689.22	56,970,202.43	1,030,341,141.92

## (4) Details of unrecognized deferred income tax assets

Item	December 31, 2025	December 31, 2024
Deductible temporary difference	2,555,701.75	434,437.85
Deductible loss	20,249,356.74	383,366.61
Total	22,805,058.49	817,804.46

## (5) Deductible losses of the un-recognized deferred income tax asset will expire in the following years

Year	December 31, 2025	December 31, 2024
2025		2,679.34
2026	36,426.09	449.91
2027	566,465.76	125,759.62
2028	196,742.94	122,872.18
2029	19,136,478.27	131,605.56
2030 and later	313,243.68	

Year	December 31, 2025	December 31, 2024
Total	20,249,356.74	383,366.61

**21. Other non-current assets**

Item	December 31, 2025			December 31, 2024		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Prepaid house and equipment amount	29,968,445.50		29,968,445.50	63,504,106.15		63,504,106.15
Contract assets	125,214,302.34	9,438,790.60	115,775,511.74	160,412,051.45	11,257,487.71	149,154,563.74
Subtotal	155,182,747.84	9,438,790.60	145,743,957.24	223,916,157.60	11,257,487.71	212,658,669.89
Less: others non-current assets due in 1 year						
Total	155,182,747.84	9,438,790.60	145,743,957.24	223,916,157.60	11,257,487.71	212,658,669.89

**22. Assets with restricted ownership or use rights**

Item	December 31, 2025	
	Book value	Restricted situation
Monetary capital	299,831,696.71	Various deposits
Monetary capital	10,494,858.12	Judicial freeze
Notes receivable	39,012,200.04	Bills endorsed or discounted but not yet due
Account receivable	17,261,724.13	Loan by pledge
Fixed assets	192,954,910.15	Loan by pledge
Intangible assets	22,728,870.63	Loan by pledge
Investment real estate	3,349,490,698.00	Loan by pledge
Long-term Equity Investments (Parent Company)		100% stake in Fangda Property Development held by the Company
Total	3,931,774,957.78	-

(Continued)

Item	December 31, 2024	
	Book value	Restricted situation
Monetary capital	460,052,125.50	Various deposits
Notes receivable	34,490,806.03	Bills endorsed or discounted but not yet due
Account receivable	33,851,277.04	Loan by pledge
Fixed assets	355,978,425.04	Loan by pledge
Intangible assets	23,212,463.67	Loan by pledge

Item	December 31, 2024	
	Book value	Restricted situation
Investment real estate	1,822,483,172.10	Loan by pledge
Long-term Equity Investments (Parent Company)	—	100% stake in Fangda Property Development held by the Company
Total	2,730,068,269.38	-

### 23. Short-term loans

#### (1) Classification of short-term borrowings

Item	December 31, 2025	December 31, 2024
Guarantee loan	674,220,527.58	720,642,744.49
Guarantee and pledge loan	528,625,969.45	943,053,677.99
Total	1,202,846,497.03	1,663,696,422.48

Notes:

① As of the reporting date, among guaranteed borrowings:

RMB62,045,333.34 and RMB605,125,916.77 were guaranteed by the Company for its subsidiaries Fangda Zhiyuan Technology Co., Ltd. and Shenzhen Fangda Construction Technology Group Co., Ltd., respectively;

RMB6,019,002.78 was guaranteed by the Company for its subsidiary Shenzhen Fangda Yunchu Technology Co., Ltd.;

RMB1,030,274.69 was guaranteed by the Company for its subsidiary Fangda New Materials (Jiangxi) Co., Ltd. RMB1,030,274.69 was guaranteed by the Company for its subsidiary Fangda New Materials (Jiangxi) Co., Ltd. Among guaranteed borrowings, internal factoring loans amounted to RMB194,900,000.

② At the end of the period, among the guaranteed and pledged borrowings:

RMB49,047,775.00 was guaranteed by the Company for its subsidiary Shenzhen Fangda Construction Technology Group Co., Ltd., with the subsidiary further providing a pledge of intellectual property rights over its patents for an "Automatic Sensing Curtain Wall Energy-Saving Window System" and an "Intelligent Shading System";

RMB40,027,777.78 was guaranteed by the Company for its subsidiary Shenzhen Fangda Construction

Technology Group Co., Ltd., with the subsidiary additionally pledging its patent for a "Modular Frame Curtain Wall System" as intellectual property collateral;

RMB50,038,194.45 was guaranteed by the Company for Shenzhen Fangda Construction Technology Group Co., Ltd., with the subsidiary pledging its patents for a "Connecting Structure for a Through-Ventilation-Type Box Curtain Wall" and a "Copper-Aluminum Composite Panel Energy-Saving Curtain Wall Structure" as intellectual property collateral;

RMB342,580,000.00 was guaranteed and pledged by the Company for its subsidiary Shenzhen Fangda Construction Technology Group Co., Ltd. Among guaranteed and pledged borrowings, internal factoring loans amounted to RMB40,580,000.00.

#### 24. Derivative financial liabilities

Item	December 31, 2025	December 31, 2024
Futures contracts		1,520,625.00
Total		1,520,625.00

#### 25. Notes payable

Type	December 31, 2025	December 31, 2024
Bank acceptance	428,511,829.11	672,229,721.56
Commercial acceptance	598,808.42	8,958,406.41
Total	429,110,637.53	681,188,127.97

#### 26. Account payable

##### (1) By nature

Item	December 31, 2025	December 31, 2024
Account repayable and engineering repayable	1,456,091,905.06	1,528,510,873.88
Payable installation and implementation fees	540,158,310.89	558,215,149.23
Construction payable	17,642,579.41	27,062,009.47
Others	26,798,424.80	32,806,857.99
Total	2,040,691,220.16	2,146,594,890.57

(2) There were no material accounts payable aged over one year as of the period end.

#### 27. Prepayment received

Item	December 31, 2025	December 31, 2024
Rent received in advance	3,517,539.83	1,513,398.39
Total	3,517,539.83	1,513,398.39

**28. Contract liabilities**

## (1) Contract liabilities status

Item	December 31, 2025	December 31, 2024
Project funds collected in advance	347,809,670.83	259,315,011.77
Material loan	979,539.70	8,934,838.06
Others	1,366,667.08	344,191.43
Total	350,155,877.61	268,594,041.26

**29. Employees' wage payable**

## (1) Employees' wage payable

Item	December 31, 2024	Increase	Decrease	December 31, 2025
1. Short-term remuneration	69,946,623.12	430,502,785.23	438,781,419.33	61,667,989.02
2. Retirement pension program-defined contribution plan	762,569.73	31,667,690.80	31,717,595.58	712,664.95
3. Dismiss compensation	5,534,455.12	12,853,198.93	12,955,461.93	5,432,192.12
Total	76,243,647.97	475,023,674.96	483,454,476.84	67,812,846.09

## (2) Short-term remuneration

Item	December 31, 2024	Increase	Decrease	December 31, 2025
1. Wage, bonus, allowance and subsidies	68,590,093.96	398,581,088.05	406,848,495.18	60,322,686.83
2. Employee welfare	227,864.06	9,870,012.56	10,095,803.26	2,073.36
3. Social insurance	187,229.50	10,254,180.58	10,306,309.16	135,100.92
Including: medical insurance	170,309.99	8,429,936.21	8,478,678.37	121,567.83
Labor injury insurance	10,483.12	1,101,060.84	1,103,883.37	7,660.59
Breeding insurance	6,436.39	723,183.53	723,747.42	5,872.50
4. Housing fund	73,372.23	10,728,412.28	10,714,303.31	87,481.20
V. Labor union and staff education budget	329,829.09	934,796.35	816,508.42	448,117.02
VI. Short-term paid leave	538,234.28	134,295.41	-	672,529.69
Total	69,946,623.12	430,502,785.23	438,781,419.33	61,667,989.02

## (3) Defined contribution plan

Item	December 31, 2024	Increase	Decrease	December 31, 2025
After-retirement welfare:				
1. Basic pension	750,906.10	30,441,686.74	30,486,994.92	705,597.92

Item	December 31, 2024	Increase	Decrease	December 31, 2025
2. Unemployment insurance	11,663.63	1,226,004.06	1,230,600.66	7,067.03
Total	762,569.73	31,667,690.80	31,717,595.58	712,664.95

**30. Taxes payable**

Item	December 31, 2025	December 31, 2024
Enterprise income tax	12,238,129.74	22,749,953.33
VAT	6,404,428.28	5,014,443.15
Personal income tax	1,465,819.45	1,436,564.89
City maintenance and construction tax	701,639.13	442,894.30
Land using tax	427,736.41	342,015.86
Property tax	1,608,807.88	1,433,309.14
Education surtax	306,278.00	194,329.75
Local education surtax	204,185.33	129,553.00
Consumption service tax	1,469,363.12	237,874.41
Land VAT	15,043,321.06	16,012,293.28
Others	569,589.35	853,886.08
Total	40,439,297.75	48,847,117.19

**31. Other payables**

## (1) Classification of notes receivable

Item	December 31, 2025	December 31, 2024
Other payables	125,372,728.24	120,918,002.02
Total	125,372,728.24	120,918,002.02

## (2) Other payables

## ① Other payables presented by nature

Item	December 31, 2025	December 31, 2024
Performance and quality deposit	39,447,699.46	42,955,873.85
Deposit	23,547,532.18	22,843,813.76
Reserved expense	3,689,432.93	5,336,051.21
Others	58,688,063.67	49,782,263.20
Total	125,372,728.24	120,918,002.02

② Other important accounts payable with an aging of more than one year at the end of the period

Item	Balance on Wednesday, December 31, 2025	Reason
Shenzhen Yikang Real Estate Co. Ltd.	26,159,711.72	Payment paid as agreed in the contract

### 32. Non-current liabilities due in 1 year

Item	December 31, 2025	December 31, 2024
Long-term loans due within 1 year	368,687,783.34	123,355,127.55
Lease liabilities due within one year	4,642,179.29	5,114,390.19
Provisions expected to mature within one year	5,759,232.03	2,905,143.31
Total	379,089,194.66	131,374,661.05

### 33. Other current liabilities

Item	December 31, 2025	December 31, 2024
Notes receivable endorsed but not derecognized	40,781,530.88	21,426,278.75
Substituted money on VAT	20,137,407.63	29,409,280.92
Total	60,918,938.51	50,835,559.67

### 34. Long-term loans

#### (1) Classification of long-term borrowings

Item	December 31, 2025	December 31, 2024	2025 interest rate range
Guarantee, mortgage and pledge loan	1,658,687,783.34	1,260,355,127.55	2.1%-3.65%
Subtotal	1,658,687,783.34	1,260,355,127.55	
Less: Long-term loans due within 1 year	368,687,783.34	123,355,127.55	
Total	1,290,000,000.00	1,137,000,000.00	

Note: Among the aforementioned guaranteed, mortgaged, and pledged borrowings:

Borrowings of RMB1,081,171,500.00 were secured by pledges of 100% equity interests in the Company's subsidiary Fangda Property Holdings Company (held directly and indirectly by China Fangda Group Co., Ltd.) and receivable rental income from the Company's self-held Fangda City leased properties;

Borrowings of RMB280,247,333.34 were guaranteed by China Fangda Group Co., Ltd. for its subsidiary Fangda Intelligent Manufacturing Company, with additional collateral provided by the subsidiary in the form of its property, plant and equipment and industrial land use rights;

Borrowings of RMB297,268,950.00 were guaranteed by China Fangda Group Co., Ltd. for its subsidiary

Fangda Construction Technology Company.

**35. Lease liabilities**

Item	December 31, 2025	December 31, 2024
Lease payments	15,229,706.15	18,828,149.71
Less: unrecognized financing expenses	1,607,979.99	3,061,152.04
Subtotal	13,621,726.16	15,766,997.67
Less: lease liabilities due within one year	4,642,179.29	5,114,390.19
Total	8,979,546.87	10,652,607.48

**36. Anticipated liabilities**

Item	December 31, 2025	December 31, 2024
Maintenance fee	1,175,044.50	917,063.27
Loss contract to be executed	280,345.71	369,328.45
Total	1,455,390.21	1,286,391.72

**37. Deferred earning**

Item	December 31, 2024	Increase	Decrease	December 31, 2025	Reason
Government subsidy	10,669,612.13	17,776,306.00	2,141,640.44	26,304,277.69	Assets-related government subsidy

**38. Share capital**

Item	December 31, 2024	Change (+,-)					December 31, 2025
		Issued new shares	Bonus shares	Transferred from reserves	Others	Subtotal	
Total of capital shares	1,073,874,227.00						1,073,874,227.00

**39. Capital reserves**

Item	December 31, 2024	Increase	Decrease	December 31, 2025
Capital premium (share capital premium)	2,903,850.98			2,903,850.98
Other capital reserves	1,454,097.35			1,454,097.35
Total	4,357,948.33			4,357,948.33

**40. Other miscellaneous income**

Item	December 31,	Amount occurred in the current period	December 31,
------	--------------	---------------------------------------	--------------

	2024		Less: amount written into other gains and transfe red into gain/los s in previou s terms	Less: amount written into other gains and transferred into gain/loss in previous terms	Less: Income tax expenses	After-tax amount attributed to the parent	After-tax amount attributed to minority sharehold ers	2025
I. Other comprehensive income that cannot be reclassified into profit or loss	-3,779,277.52							-3,779,277.52
Including: Fair value change of investment in other equity tools	-3,779,277.52							-3,779,277.52
2. Other misc. incomes that will be re-classified into gain and loss	162,184,292.04	3,038,109.97			396,775.71	2,641,819.98	-485.72	164,826,112.02
Including: Investment real estate measured at fair value	163,986,655.48	-237,972.41			-50,310.54	-187,661.87		163,798,993.61
Cash flow hedge reserve	-1,269,329.14	2,980,575.00			447,086.25	2,533,488.75		1,264,159.61
Translation difference of foreign exchange statement	-533,034.30	295,507.38				295,993.10	-485.72	-237,041.20
Other miscellaneous income	158,405,014.52	3,038,109.97			396,775.71	2,641,819.98	-485.72	161,046,834.50

#### 41. Surplus reserve

Item	December 31, 2024	Increase	Decrease	December 31, 2025
Statutory surplus reserves	83,974,716.22	1,393,611.78		85,368,328.00

#### 42. Undistributed profit

Item	2025	2024
Adjustment on retained profit of previous period	4,805,192,000.28	4,772,359,940.45
Total of retained profit at beginning of year adjusted (+ for increase, - for decrease)		
Retained profit adjusted at beginning of year	4,805,192,000.28	4,772,359,940.45
Plus: Net profit attributable to owners of the parent	-515,466,884.24	144,813,705.53
Less: Statutory surplus reserves	1,393,611.78	5,728,420.02

Item	2025	2024
Common share dividend payable	53,693,711.35	85,909,938.16
Others		20,343,287.52
Closing retained profit	4,234,637,792.91	4,805,192,000.28

### 43. Operational revenue and costs

Item	2025		2024	
	Income	Cost	Income	Cost
Main business	3,327,948,583.52	2,881,219,133.19	4,373,119,434.75	3,545,394,888.31
Other businesses	49,354,482.92	40,317,819.34	51,104,762.96	42,747,408.17
Total	3,377,303,066.44	2,921,536,952.53	4,424,224,197.71	3,588,142,296.48

#### (1) Revenue disaggregation information

In 2025, the information of operating revenue broken down by revenue recognition time is as follows:

Item	2025	2024
Revenue recognition time		
Revenue recognized at a certain point in time	533,955,293.94	545,412,251.88
Revenue recognized over a period of time	2,843,347,772.50	3,878,811,945.83
Total	3,377,303,066.44	4,424,224,197.71

#### (2) Performance obligation

For curtain wall materials, real estate and other commodity sales transactions, the Company completes the performance obligations when the customer obtains the control of the relevant commodities; for providing building curtain wall, Metro screen door design, production and installation and other service transactions, the Company confirms the completed performance obligations according to the performance progress during the whole service period. The contract price of the Company is usually due within one year, and there is no significant financing component.

#### (3) Information related to remaining performance obligations

As of December 31, 2025, the Company's remaining contractual obligations are mainly related to the Company's engineering contracts, and the remaining contractual obligations are expected to be recognized as revenue according to the performance progress in the future performance period of the corresponding engineering contracts.

**44. Taxes and surcharges**

Item	2025	2024
Property tax	21,128,884.70	20,235,700.43
City maintenance and construction tax	5,507,073.14	6,526,296.57
Education surcharge and local education surcharge	4,097,235.46	4,894,545.68
Stamp tax	2,646,316.83	5,125,991.22
Urban land use tax	2,148,696.57	1,967,709.57
Land VAT	162,267.96	4,535,890.32
Others	320,867.76	78,257.55
Total	36,011,342.42	43,364,391.34

**45. Sales expense**

Item	2025	2024
Labor costs	35,157,320.22	30,449,690.40
Entertainment expense	6,378,943.30	8,485,462.87
Travel expense	4,614,410.83	2,955,271.55
Advertisement and promotion fee	2,317,559.63	2,144,452.78
Rental	1,005,536.52	629,569.36
Depreciation and amortization	1,886,120.08	2,269,054.34
Material consumption	1,011,161.01	1,352,405.66
Sales agency fee	970,571.54	1,595,221.91
Office costs	731,950.25	895,531.77
Others	3,330,447.79	4,363,492.49
Total	57,404,021.17	55,140,153.13

**46. Administrative expense**

Item	2025	2024
Labor costs	129,569,222.27	137,729,076.22
Depreciation and amortization	15,295,989.89	17,246,520.96
Agencies	9,092,377.02	6,918,578.15
Entertainment expense	5,941,257.55	7,993,709.32
Office expense	4,113,166.63	5,648,928.52
Travel expense	2,852,779.56	4,337,710.40
Rental	2,795,359.88	2,254,738.54
Water and electricity	1,764,753.20	1,204,391.67
Property management fee	1,221,908.37	1,102,485.41

Item	2025	2024
Lawsuit	1,194,968.95	296,491.06
Others	5,505,940.23	6,934,804.95
Total	179,347,723.55	191,667,435.20

**47. R&D cost**

Item	2025	2024
Labor costs	87,229,245.50	100,670,006.36
Material costs	29,787,750.26	50,544,384.90
Testing fees	9,776,489.95	11,574,101.52
Depreciation and amortization	3,651,149.36	4,730,697.11
Others	2,369,777.05	3,512,181.84
Total	132,814,412.12	171,031,371.73

**48. Financial expenses**

Item	2025	2024
Interest expense	73,451,706.21	60,377,020.35
Including: interest expense of lease liabilities	587,402.86	1,270,121.44
Less: discount government subsidies	1,639,000.00	2,616,200.00
Less: Interest income	10,685,216.12	19,230,549.61
Net interest expenditure	61,127,490.09	38,530,270.74
Exchange net loss	3,446,327.54	-3,073,376.55
Discount expense	10,151,618.08	23,766,144.18
Commission charges and others	3,808,049.61	6,074,894.67
Total	78,533,485.32	65,297,933.04

**49. Other gains**

Item	2025	2024
Government subsidy	9,734,296.68	14,027,285.85
Individual income tax withholding handling fee	272,580.44	282,947.24
Additional deduction of input tax	562,972.73	5,373,030.49
Total	10,569,849.85	19,683,263.58

**50. Investment income**

Item	2025	2024
Gains from long-term equity investment measured by equity	-23,702,329.34	-70,043.43

Item	2025	2024
Investment income from disposal of trading financial assets	1,494,724.44	-1,666,256.28
Financial assets derecognized as a result of amortized cost	-3,565,876.31	-2,538,217.26
Income from derecognition of other financial assets measured at fair value		-154,143.85
Debt restructuring gains		-118,701.78
Total	-25,773,481.21	-4,547,362.60

### 51. Gain caused by changes in fair value

Source of income from fluctuation of fair value	2025	2024
Investment real estate measured at fair value	-280,731,968.67	-18,397,296.67
Other non-current financial assets	-3,608.54	3,098.25
Transactional financial assets	410.06	
Total	-280,735,167.15	-18,394,198.42

### 52. Credit impairment loss

Item	2025	2024
Bad debt loss of notes receivable	-13,358,396.35	-237,783.09
Bad debt loss of account receivable	-235,005,089.69	-109,795,711.27
Bad debt loss of other receivables	-4,181,353.42	-653,357.89
Total	-252,544,839.46	-110,686,852.25

### 53. Asset impairment loss

Item	2025	2024
Inventory impairment loss	-23,306,214.74	
Contract asset impairment loss	-4,669,897.78	-28,916,573.64
Impairment losses on property, plant and equipment	-2,650,000.00	-2,500,000.00
Impairment losses on intangible assets		-3,844,005.85
Total	-30,626,112.52	-35,260,579.49

### 54. Assets disposal gains

Item	2025	2024
Disposition not classified as possession of fixed assets to be sold, construction in progress, and intangible assets	-2,097,446.78	-571,500.30
Including: Fixed assets	-690,446.78	-571,500.30
Intangible assets	-1,407,000.00	
Disposal of other non-current assets	-1,129,425.81	

Item	2025	2024
Disposal of use right assets	194,594.82	71,307.49
Total	-3,032,277.77	-500,192.81

### 55. Non-operating revenue

Item	2025	2024	Amount accounted into the current accidental gain/loss
Penalty income	147,421.94	169,756.38	147,421.94
Compensation received	84,950.00	110,450.67	84,950.00
Payable account not able to be paid		1,105,933.49	
Gains on disposal of non-current assets	8,061.54	34,565.79	8,061.54
Others	342,226.94	291,705.96	342,226.94
Total	582,660.42	1,712,412.29	582,660.42

### 56. Non-business expenses

Item	2025	2024	Amount accounted into the current accidental gain/loss
Donation	530,000.00	50,000.00	530,000.00
Loss from retirement of damaged non-current assets	890,363.69	636,096.88	890,363.69
Penalty and overdue fine	906,136.85	724,692.03	906,136.85
Others	16,034,265.87	815,503.59	16,034,265.87
Total	18,360,766.41	2,226,292.50	18,360,766.41

Note: "Other" includes a loss of RMB16,000,000.00 arising from the termination of the Bangshen project; see Note V.9—Inventories for details.

### 57. Income tax expenses

#### (1) Composition of income tax expenses

Item	2025	2024
Income tax expenses in this period	37,186,918.12	31,496,973.61
Deferred income tax expenses	-150,018,693.23	-18,304,449.34
Total	-112,831,775.11	13,192,524.27

#### (2) Adjustment process of accounting profit and income tax expense

Item	2025	2024
Total profit	-628,265,004.92	159,360,814.59
Income tax expenses calculated based on the legal (or applicable) tax rates	-157,066,251.23	39,840,203.65

Item	2025	2024
Impacts of different tax rates applicable for some subsidiaries	32,144,912.45	-8,294,886.53
Impacts of income tax before adjustment	1,224,027.11	3,211,604.88
Impact of non-taxable income	-44,361.26	-76,932.15
Impacts of non-deductible cost, expense and loss	5,703,572.23	4,712,097.88
Impact of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the prior period of use		-1,309,161.43
Deductible temporary difference and deductible loss of unrecognized deferred income tax assets	4,953,429.05	21,524.27
Additional deduction of R&D expense	-18,869,349.63	-25,192,633.13
Profit and loss of associates and joint ventures calculated using the equity method	5,925,582.34	17,510.86
Effect of tax rate change on deferred income tax	-787,559.90	-910,541.83
Impact of deductible losses of deferred income tax assets recognized in the previous period exceeding the recoverable period	13,984,223.73	1,173,737.80
Income tax expenses	-112,831,775.11	13,192,524.27

#### 58. Other miscellaneous income

See Note V. 40 Other comprehensive income for details of each item of other comprehensive income and its income tax effect and transfer to profit or loss, as well as a reconciliation of each item of other comprehensive income.

#### 59. Notes to cash flow statement items

##### (1) Cash inflow related to operation

##### Other cash received from business operations

Item	2025	2024
Interest income	10,824,216.12	13,149,043.03
Subsidy income	21,354,321.72	14,815,630.09
Retrieving of bidding deposits	41,527,537.45	32,822,259.64
Other operating accounts	31,388,726.08	26,028,503.64
Net amount of receipts from bills and other deposits	48,883,570.67	28,208,714.36
Total	153,978,372.04	115,024,150.76

##### Other cash paid for business operations

Item	2025	2024
Pocket expenses	130,505,709.21	127,740,024.89
Bidding deposit paid	21,368,944.98	35,416,621.23

Item	2025	2024
Other trades	4,811,588.71	17,528,864.15
Total	156,686,242.90	180,685,510.27

## (2) Cash related to investment activities

## Significant cash payments related to investing activities

Item	2025	2024
Acquisition of non-controlling interests in Fangda Zhiyuan Company		26,616,725.71

## Other cash paid for investment

Item	2025	2024
Foreign exchange investment losses		1,787,676.30

## (3) Cash related to financing

## Other cash received from financing activities

Item	2025	2024
Recovery of loan deposits	100,842,000.00	133,000,000.00
Recovery of time deposits		330,600,944.44
Total	100,842,000.00	463,600,944.44

## Other cash paid related to financing activities

Item	2025	2024
Financing fee	2,825,971.65	3,078,784.45
Principal and interest of lease liabilities	7,588,118.52	16,984,180.17
Payment for repurchase of equity interest in Fangda Zhiyuan		98,116,151.32
Payments to non-controlling shareholders due to subsidiary liquidation	2,549,339.32	1,221,195.25
Total	12,963,429.49	119,400,311.19

## Changes in liabilities arising from financing activities

Item	December 31, 2024	Increase		Decrease		December 31, 2025
		Change in cash	Non-cash change	Change in cash	Non-cash change	
Short-term loans	1,663,696,422.48	1,416,692,628.24	17,355,048.96	1,881,823,195.75	13,074,406.90	1,202,846,497.03
Dividend payable			53,693,711.35	53,693,711.35		
Non-current liabilities due in	128,469,517.74		406,279,362.16	161,418,917.27		373,329,962.63

Item	December 31, 2024	Increase		Decrease		December 31, 2025
		Change in cash	Non-cash change	Change in cash	Non-cash change	
1 year						
Long-term loans	1,137,000,000.00	1,100,000,000.00		600,000,000.00	347,000,000.00	1,290,000,000.00
Lease liabilities	10,652,607.48		5,185,685.19		6,858,745.80	8,979,546.87
<b>Total</b>	<b>2,939,818,547.70</b>	<b>2,516,692,628.24</b>	<b>482,513,807.66</b>	<b>2,696,935,824.37</b>	<b>366,933,152.70</b>	<b>2,875,156,006.53</b>

## 60. Supplementary data of cash flow statement

### (1) Supplementary data of cash flow statement

Supplementary information	2025	2024
1. Net profit adjusted to cash flow related to business operations:		
Net profit	-515,433,229.81	146,168,290.32
Plus: Asset impairment provision	30,626,112.52	35,260,579.49
Credit impairment provision	252,544,839.46	110,686,852.25
Fixed asset and investment real estate depreciation	37,176,212.95	32,873,765.23
Depreciation of right to use assets	4,389,525.88	15,038,434.25
Amortization of intangible assets	5,155,196.09	7,362,948.39
Amortization of long-term amortizable expenses	4,393,633.54	3,854,633.92
Loss from disposal of fixed assets, intangible assets, and other long-term assets ("-" for gains)	3,032,277.77	500,192.81
Loss from fixed asset discard ("-" for gains)	882,302.15	601,531.09
Loss from fair value fluctuation ("-" for gains)	280,735,167.15	18,394,198.42
Financial expenses ("-" for gains)	77,563,351.94	62,507,793.94
Investment losses ("-" for gains)	25,773,481.21	1,855,001.49
Decrease of deferred income tax asset ("-" for increase)	-60,882,106.65	-34,722,077.39
Increase of deferred income tax asset ("-" for increase)	-89,260,452.70	-6,409,546.15
Decrease of inventory ("-" for increase)	-2,698,224.56	42,960,388.63
Decrease of operational receivable items ("-" for increase)	387,051,651.84	-288,233,573.56
Increase of operational receivable items ("-" for decrease)	-302,520,409.58	93,985,965.94
Others	48,883,570.67	28,208,714.36
Cash flow generated by business operations, net	187,412,899.87	270,894,093.43
2. Major investment and financing activities with no cash involved:		
Debt transferred to assets		
Convertible corporate bonds due within one year		

Supplementary information	2025	2024
Addition of right-of-use assets	3,811,719.28	13,743,381.24
3. Net change in cash and cash equivalents:		
Balance of cash at period end	1,090,965,547.89	1,031,725,216.34
Less: Initial balance of cash	1,031,725,216.34	779,661,118.42
Add: Ending balance of cash equivalents		
Less: Ending balance of cash equivalents		
Net increase in cash and cash equivalents	59,240,331.55	252,064,097.92

Note: During the current period, the amount of RMB180,124,519.21 received from the endorsement and transfer of receivable notes was included in cash received from sales of goods and rendering of services.

## (2) Composition of cash and cash equivalents

Item	December 31, 2025	December 31, 2024
I. Cash	1,090,965,547.89	1,031,725,216.34
Including: Cash in stock	697.90	148.01
Bank savings can be used at any time	1,078,821,930.02	1,024,641,201.90
Other monetary capital can be used at any time	12,142,919.97	7,083,866.43
2. Cash equivalents		
Including: bond investment due within three months		
III. Balance of cash and cash equivalents at end of term	1,090,965,547.89	1,031,725,216.34
Including: restricted cash and cash equivalent used by parent company or subsidiaries in the Group		

## (3) Supplier Financing Arrangements

### ① Terms and Conditions of Supplier Financing Arrangements

Supplier financing arrangement 1: The Company utilizes the "eXintong" supply chain financial service platform, jointly provided by Beijing Yuehan Technology Co., Ltd. and Shenzhen Branch of China Construction Bank Corporation (hereinafter referred to as "CCB"), to conduct reverse factoring transactions, offering services to suppliers holding electronic receivable instruments on the "eXintong" platform that are payable by the Company upon maturity. Suppliers transfer their accounts receivable under the Company's electronic debt certificates to CCB and apply for "e-Xintong" business services from CCB. After analysis and evaluation, CCB provides "e-Xintong" business services to suppliers if conditions are met. The Company's obligation to fulfill payment under the electronic debt certificates is

unconditional and irrevocable, unaffected by any commercial disputes among parties involved in the transfer of the electronic debt certificates. The Company will not claim offsets or defenses regarding this payment obligation. The Company will transfer an amount equal to the amount under the electronic debt certificates on the committed payment date according to the "e-Xintong" platform business rules.

Supplier Financing Arrangement 2: The Company handles reverse factoring business through the "e-Zhangtong" supply chain financial service platform provided by Agricultural Bank of China Limited Shenzhen Overseas Chinese Town Branch (hereinafter referred to as "ABC"), offering services to suppliers holding electronic debt certificates on the "e-Zhangtong" platform with payments due from the Company. Suppliers transfer their accounts receivable under the Company's electronic debt certificates to ABC and apply for "e-Zhangtong" business services from ABC. After analysis and evaluation, ABC provides "e-Zhangtong" business services to suppliers if conditions are met. The Company's obligation to fulfill payment under the electronic debt certificates is unconditional and irrevocable, unaffected by any commercial disputes among parties involved in the transfer of the electronic debt certificates. The Company will not claim offsets or defenses regarding this payment obligation. The Company will transfer an amount equal to the amount under the electronic debt certificates on the committed payment date according to the "e-Zhangtong" platform business rules.

Supplier Financing Arrangement 3: The Company has signed a "Payment Agency Cooperation Agreement" with China Merchants Bank Co., Ltd. Shenzhen Branch, authorizing the bank to deduct payments from the payment account on the dates specified in the "Detailed Payment Agency List" provided by the Group. When suppliers initiate financing applications, China Merchants Bank Co., Ltd. Shenzhen Branch uses the Company's credit line to handle domestic factoring for suppliers. After the factoring matures, the Company only needs to pay the factoring financing amount to China Merchants Bank Co., Ltd. Shenzhen Branch, without interest.

Supplier Financing Arrangement 4: The Company handles reverse factoring (Easy Credit) business through the supply chain financial service platform provided by Bank of China Shenzhen Futian Branch (hereinafter referred to as "BOC"), offering services to suppliers holding electronic debt certificates with payments committed by the Company. Suppliers transfer their accounts receivable under the Company's electronic debt certificates to BOC and

apply for Easy Credit business services from BOC. After analysis and evaluation, BOC provides Easy Credit business services to suppliers if conditions are met. The Company's obligation to fulfill payment under the electronic debt certificates is unconditional and irrevocable, unaffected by any commercial disputes among parties involved in the transfer of the electronic debt certificates. The Company will not claim offsets or defenses regarding this payment obligation. The Company will transfer an amount equal to the amount under the electronic debt certificates on the committed payment date according to the supply chain financial service platform business rules.

Supplier financing arrangement 5: The Company has entered into relevant agreements with Bank of Shanghai Co., Ltd., authorizing Bank of Shanghai to, based on financing details provided by the Company and via the "Shanghang e-Chain" platform, allow suppliers to initiate financing applications and execute factoring transactions against the Company's credit line with Bank of Shanghai. Upon maturity of the factoring facility, the Company is only required to repay the principal amount of the factoring financing to Bank of Shanghai, while the related interest is borne by the designated party as agreed.

② Financial liabilities under supplier financing arrangements presented in the balance sheet and the carrying amount, as well as the amounts received by suppliers from financing providers

Item	December 31, 2025	December 31, 2024
Account payable	535,521,368.29	465,016,938.13
Including: Amounts received by suppliers	449,522,342.67	341,199,057.49

③ Payment due date range for financial liabilities under supplier financing arrangements

Item	December 31, 2025	December 31, 2024
Financial liabilities under supplier financing arrangements	90-300 days from invoice receipt	90-300 days from invoice receipt
Comparable accounts payable not under supplier financing arrangements	0-180 days from invoice receipt	0-180 days from invoice receipt

## 61. Foreign currency monetary items

(1) Foreign currency monetary items:

Item	Foreign currency balance on December 31, 2025	Exchange rate	Balance converted into RMB on December 31, 2025
------	---	---------------	---

Item	Foreign currency balance on December 31, 2025	Exchange rate	Balance converted into RMB on December 31, 2025
Monetary capital			239,466,025.46
Including: Hong Kong Dollar	33,197,100.74	0.9032	29,984,285.33
Euro	247,321.86	8.2355	2,036,819.18
U.S. Dollar	23,572,087.83	7.0288	165,683,490.94
Singapore Dollar	2,173,283.21	5.4586	11,863,083.73
Vietnamese Dong	1,498,727,578.00	0.0003	401,075.99
Rupee	18,585,243.26	0.0783	1,455,224.55
Australian Dollar	5,712,726.73	4.6892	26,788,118.18
Dirham	105,189.93	1.9071	200,607.72
Philippine Peso	8,602,278.03	0.1195	1,027,972.22
Saudi Riyal	13,569.10	1.8680	25,347.62
Account receivable			42,841,960.18
Including: Hong Kong Dollar	13,004,052.62	0.9032	11,745,520.41
U.S. Dollar	2,825,905.87	7.0288	19,862,727.18
Singapore Dollar	1,471,623.38	5.4586	8,033,003.38
Australian Dollar	682,570.42	4.6892	3,200,709.21
Contract assets			88,704,919.11
Including: Hong Kong Dollar	53,498,133.31	0.9032	48,320,583.97
U.S. Dollar	4,031,412.60	7.0288	28,335,992.88
Rupee	11,258,301.46	0.0783	881,525.00
Australian Dollar	2,320,553.49	4.6892	10,881,539.43
Dirham	149,587.24	1.9071	285,277.83
Other receivables			2,025,531.07
Including: Hong Kong Dollar	832,476.66	0.9032	751,909.57
U.S. Dollar	23,239.05	7.0288	163,342.63
Singapore Dollar	144,049.35	5.4586	786,307.78
Rupee	620,785.33	0.0783	48,607.49
Australian Dollar	34,599.08	4.6892	162,242.01
Dirham	30,749.99	1.9071	58,643.31
Philippine Peso	221,398.00	0.1195	26,457.06
Saudi Riyal	15,000.33	1.8680	28,021.22
Account payable			26,163,925.16

Item	Foreign currency balance on December 31, 2025	Exchange rate	Balance converted into RMB on December 31, 2025
Including: USD	1,005,776.11	7.0288	7,069,399.12
Singapore Dollar	365,446.54	5.4586	1,994,826.48
Rupee	14,804,553.01	0.0783	1,159,196.50
Australian Dollar	3,374,612.30	4.6892	15,824,232.00
Philippine Peso	158,805.69	0.1195	18,977.28
Saudi Riyal	52,083.35	1.8680	97,293.78
Other payables			2,045,959.56
Including: USD	273,407.62	7.0288	1,921,727.48
Singapore Dollar	3,901.85	5.4586	21,298.64
Australian Dollar	21,787.84	4.6892	102,167.54
Saudi Riyal	410.00	1.8680	765.90
Other non-current assets			166,996.84
Including: USD	23,758.94	7.0288	166,996.84

## 62. Lease

### (1) The Company as lessee

#### Current gains and losses and cash flows related to leases

Item	2025
Short term lease expenses with simplified treatment included in current profit and loss	48,043,619.80
Lease expenses of low value assets with simplified treatment included in current profit and loss (except short-term lease)	391,407.49
Interest expense on lease liabilities	587,402.86
Variable lease payments included in current profits and losses but not included in the measurement of lease liabilities	
Income from subletting right to use assets	
Total cash outflow related to leasing	48,460,651.06

### (2) The Company is the lessor

#### Operating lease

##### A. Rental income

Item	2025
Rental income	120,590,265.17
Including: income related to variable lease payments not included in the measurement of lease receipts	369,804.65

##### B. Undiscounted lease receipts to be received in each of the five consecutive fiscal years

after the balance sheet date, and the total undiscounted lease receipts to be received in the remaining years

Year	Amount
2026	105,050,316.05
2027	67,773,129.84
2028	43,260,708.88
2029	26,273,854.79
2030	20,185,331.81
Total undiscounted lease receipts to be received on and after 2031	65,750,209.88

## VI. R&D expenses

### 1. By expense nature

Item	2025	2024
Labor costs	87,229,245.50	100,670,006.36
Material costs	29,787,750.26	50,544,384.90
Testing fees	9,776,489.95	11,574,101.52
Depreciation and amortization	3,651,149.36	4,730,697.11
Others	2,369,777.05	3,512,181.84
Total	132,814,412.12	171,031,371.73
Including: Expensed R&D expenditure	132,814,412.12	171,031,371.73

## VII. Change to Consolidation Scope

During the current period, the scope of consolidation changed with the addition of two new subsidiaries established by incorporation: Fangda Facade Contracting L.L.C and Fangda Facade (NSW) Pty Ltd.

## VIII. Equity in Other Entities

### 1. Interests in subsidiaries

#### (1) Group Composition

Company	Registered capital	Place of business	Registered address	Business	Shareholding (%)		Obtaining method
					Direct	Indirect	
Fangda Construction Technology	RMB600,000,000	Shenzhen	Shenzhen	Designing, manufacturing, and installation of curtain walls	98.66	1.34	Incorporation
Fangda Zhiyuan Technology	RMB105,000,000	Shenzhen	Shenzhen	Production, processing and installation of	51.00	49.00	Incorporation

Company	Registered capital	Place of business	Registered address	Business	Shareholding (%)		Obtaining method
					Direct	Indirect	
				subway screen doors			
Fangda Jiangxi New Material	USD12,000,000	Nanchang	Nanchang	Production and sales of new materials and composite materials	75.00	25.00	Incorporation
Fangda Property	RMB200,000,000	Shenzhen	Shenzhen	Real estate development and operation	99.00	1.00	Incorporation
Fangda New Energy	RMB100,000,000	Shenzhen	Shenzhen	Design and construction of PV power plants	99.00	1.00	Incorporation
Fangda Chengdu Technology	RMB50,000,000	Chengdu	Chengdu	Trusted processing of building curtain wall materials	-	100.00	Incorporation
Shihui International	USD3,000,000	Virgin Islands	Virgin Islands	Investment	100.00	-	Incorporation
Fangda Dongguan New Material	RMB272,800,000	Dongguan	Dongguan	Installation and sales of building curtain walls	-	100.00	Incorporation
Fangda Property Management	RMB10,000,000	Shenzhen	Shenzhen	Property management	-	100.00	Incorporation
Fangda Jiangxi Property Development	RMB100,000,000	Nanchang	Nanchang	Real estate development and operation	-	100.00	Incorporation
Fangda Luxin New Energy	RMB10,000,000	Pingxiang	Pingxiang	Design and construction of PV power plants	-	100.00	Incorporation
Fangda Xinjian New Energy	RMB10,000,000	Nanchang	Nanchang	Design and construction of PV power plants	-	100.00	Incorporation
Fangda Dongguan New Energy	RMB10,000,000	Dongguan	Dongguan	Design and construction of PV power plants	-	100.00	Incorporation
Kechuangyuan Software	RMB5,000,000	Shenzhen	Shenzhen	Software development	-	100.00	Incorporation
Fangda Zhiyuan Technology Hong Kong	HKD10,000	Hong Kong	Hong Kong	Metro screen door	-	100.00	Incorporation
Fangda Investment Holding Company	RMB100,000,000	Shenzhen	Shenzhen	Investment	98.00	2.00	Incorporation
Fangda Australia	AUD600,000	Australia	Australia	Designing, manufacturing, and installation of curtain walls	-	100.00	Incorporation
Fangda Yunzhi	RMB50,000,000	Shenzhen	Shenzhen	Technology development and sales; Invest in industry; Operation management of science and technology park	-	100.00	Incorporation
Chengda Curtain Wall Company	RMB50,000,000	Chengdu	Chengdu	Building decoration and other construction industry	-	100.00	Incorporation

Company	Registered capital	Place of business	Registered address	Business	Shareholding (%)		Obtaining method
					Direct	Indirect	
Fangda Southeast Asia	RMB3,000,000	Vietnam	Vietnam	Designing, manufacturing, and installation of curtain walls	-	100.00	Incorporation
Fangda Shanghai Zhijian	RMB100,000,000	Shanghai	Shanghai	Intelligent technology, new energy, automated technology	30.00	70.00	Incorporation
Fangda Shanghai Jianzhi	RMB50,000,000	Shanghai	Shanghai	Construction technology, intelligent technology, automation technology, design, production and installation of building curtain walls	-	100.00	Incorporation
Zhongrong Litai	RMB121,000,000	Shenzhen	Shenzhen	Business service	-	55.00	Purchase
Fangda Construction Technology Hong Kong	HKD10,000	Hong Kong	Hong Kong	Design, sale and installation of building curtain wall		100.00	Incorporation
Yunzhu Technology	RMB10,000,000	Shenzhen	Shenzhen	Inspection, technical service and consultation of building safety and building energy saving system		100.00	Consolidation of entities under common control
Fangda Yunzhu Testing	RMB5,000,000	Shenzhen	Shenzhen	Inspection, technical service and consultation of building safety and building energy saving system		100.00	Consolidation of entities under common control
General Metro Technology Co., Ltd	SGD1,500,000	Singapore	Singapore	Production, processing and installation of subway screen doors		100.00	Incorporation
Fangda Zhiyuan Technology Wuhan	RMB10,000,000	Wuhan	Wuhan	Production, processing and installation of subway screen doors		100.00	Incorporation
Fangda Zhiyuan Technology Nanchang	RMB1,000,000	Nanchang	Nanchang	Production, processing and installation of subway screen doors		100.00	Incorporation
Fangda Zhiyuan	RMB1,000,000	Dongguan	Dongguan	Production, processing and installation of		100.00	Incorporation

Company	Registered capital	Place of business	Registered address	Business	Shareholding (%)		Obtaining method
					Direct	Indirect	
Dongguan				subway screen doors			
Fangda Intelligent Manufacturing	RMB2,500,000,000	Ganzhou	Ganzhou	Production and sales of new materials and composite materials	99.00	1.00	Incorporation
Fangda Jianchuang	RMB50,000,000	Shenzhen	Shenzhen	Installation and sales of building curtain walls		100.00	Incorporation
Fangda Construction Technology Company	RMB50,000,000	Shenzhen	Shenzhen	Installation and sales of building curtain walls		100.00	Non-business combination
Fangda Facade Singapore Pte Ltd	SGD799,611	Singapore	Singapore	Installation and sales of building curtain walls		100.00	Incorporation
FANGDA FACADE PHILIPPINES INC.	PHP12,000,000	Philippine	Philippine	Installation and sales of building curtain walls		98.999	Incorporation
Zhiyuan Philippines Company	PHP12,000,000	Philippine	Philippine	Metro screen door sales and installation		99.999	Incorporation
FANGDA GULF DMCC	AED400,000	Dubai	Dubai	Installation and sales of building curtain walls		100.00	Incorporation
GLOBAL MEGA INTERNATIONAL	USD600,000	Saudi Arabia	Saudi Arabia	Designing, manufacturing, and installation of curtain walls		100.00	Incorporation
FANGDA FACADE CONTRACTING L.L.C	AED1,000,000	Dubai	Dubai	Installation and sales of building curtain walls		100.00	Incorporation
Fangda Facade (NSW) Pty Ltd	AUD500,000	Australia	Australia	Installation and sales of building curtain walls		100.00	Incorporation

## (2) Major non wholly-owned subsidiaries

Company	Shareholding of minority shareholders	Profit and loss attributed to minority shareholders	Dividend to be distributed to minority shareholders	Interest balance of minority shareholders in the end of the period
Zhongrong Litai	45.00%	35,230.12		48,343,241.08

## (3) Financial highlights of major non wholly owned subsidiaries

Company	December 31, 2025					
	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total liabilities
Zhongrong Litai	210,411,282.10	26,300.00	210,437,582.10	103,008,157.51		103,008,157.51

(Continued)

Company	December 31, 2024					
	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total liabilities

Company	December 31, 2024					
	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total liabilities
Zhongrong Litai	209,711,213.30	31,600.00	209,742,813.30	102,391,677.87		102,391,677.87

Company	2025			
	Turnover	Net profit	Total of misc. incomes	Business operation cash flows
Zhongrong Litai	110,091.72	78,289.16	78,289.16	-379,966.11

(Continued)

Company	2024			
	Turnover	Net profit	Total of misc. incomes	Business operation cash flows
Zhongrong Litai	110,091.72	19,074.18	19,074.18	-27,370.15

## 2. Interests in joint ventures or associates

### (1) Financial summary of insignificant joint ventures and associates

Item	December 31, 2025/ 2025	December 31, 2024/ 2024
Associate:		
Total book value of investment	32,988,644.63	56,690,973.97
Total shareholding		
—Net profit	-23,702,329.34	-70,043.43
—Other miscellaneous income		
—Total of misc. incomes	-23,702,329.34	-70,043.43

## IX. Government subsidy

### 1. Governmental subsidy recognized as receivable at the end of the period

As of December 31, 2025, the balance of government grants receivable is RMB527,217.36.

### 2. Liabilities involving government subsidies

Items presented in the balance sheet	Balance on Tuesday, December 31, 2024	Amount of new subsidy	Other misc. gains recorded this period	Balance on Wednesday, December 31, 2025	Assets/earning-related
Deferred earning	10,669,612.13	17,776,306.00	2,141,640.44	26,304,277.69	Assets-related
Total	10,669,612.13	17,776,306.00	2,141,640.44	26,304,277.69	-

**3. Government subsidies accounted into current profit or loss**

Item	2025	2024	Assets/earning-related
Other gains	2,141,640.44	630,958.59	Assets-related
Other gains	7,592,656.24	13,396,327.26	Earning-related
Financial expenses	1,639,000.00	2,616,200.00	Earning-related
Total	11,373,296.68	16,643,485.85	

**X. Risks of Financial Tools**

The risks associated with the financial instruments of the Company arise from the various financial assets and liabilities recognized by the Company in the course of its operations, including credit risks, liquidity risks and market risks.

The management objectives and policies of various risks related to financial instruments are governed by the management of the Company. The operating management is responsible for daily risk management through functional departments (for example, the Company's credit management department reviews the Company's credit sales on a case-by-case basis). The internal audit department of the Company conducts daily supervision of the implementation of the Company's risk management policies and procedures, and reports relevant findings to the Company's audit committee in a timely manner.

The overall goal of the Company's risk management is to formulate risk management policies that minimize the risks associated with various financial instruments without excessively affecting the Company's competitiveness and resilience.

**1. Credit risk**

Credit risk is caused by the failure of one party of a financial instrument in performing its obligations, causing the risk of financial loss for the other party. The credit risk of the Company mainly comes from monetary capital, notes receivable, accounts receivable, other receivables, receivables financing, contract assets, etc. The credit risk of these financial assets comes from the default of the counterparties, and the maximum risk exposure is equal to the book amount of these instruments.

The Company's money and funds are mainly deposited in the commercial banks and other financial institutions. The Company believes that these commercial banks have higher reputation and asset status and have lower credit risk.

For notes receivable, accounts receivable, other receivables, receivables financing and

contract assets, the Company sets relevant policies to control credit risk exposure. The Group set the credit line and term for debtors according to their financial status, external rating, and possibility of getting third-party guarantee, credit record and other factors. The Group regularly monitors debtors' credit record. For those with poor credit record, the Group will send written payment reminders, shorten or cancel credit term to lower the general credit risk.

(1) Significant increases in credit risk

The credit risk of the financial instrument has not increased significantly since the initial confirmation. In determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and evidenced information, including forward-looking information, that can be obtained without unnecessary additional costs or effort. The Company determines the relative risk of default risk of the financial instrument by comparing the risk of default of the financial instrument on the balance sheet date with the risk of default on the initial recognition date to assess the credit risk of the financial instrument from initial recognition.

When one or more of the following quantitative and qualitative criteria are triggered, the Company believes that the credit risk of financial instruments has increased significantly: the quantitative criteria are mainly the probability of default in the remaining life of the reporting date increased by more than a certain proportion compared with the initial recognition; the qualitative criteria are the major adverse changes in the operation or financial situation of the major debtors, the early warning of customer list, etc.

(2) Definition of assets where credit impairment has occurred

In order to determine whether or not credit impairment occurs, the standard adopted by our company is consistent with the credit risk management target for related financial instruments, and quantitative and qualitative indicators are considered.

Major financial difficulties have occurred to the issuer or the debtor; Breach of contract by the debtor, such as payment of interest or default or overdue of principal; (B) The concession that the debtor would not make under any other circumstances for economic or contractual considerations relating to the financial difficulties of the debtor; The debtor is likely to be bankrupt or undertake other financial restructuring; The financial difficulties of the issuer or debtor lead to the disappearance of the active market for the financial asset; To purchase or generate a financial asset at a substantial discount, which reflects the fact that a

credit loss has occurred.

Credit impairment in financial assets may be caused by a combination of multiple events, not necessarily by events that can be identified separately.

### (3) Expected credit loss measurement

Depending on whether there is a significant increase in credit risk and whether a credit impairment has occurred, the Company prepares different assets for a 12-month or full expected credit loss. The key parameters of expected credit loss measurement include default probability, default loss rate and default risk exposure. Taking into account the quantitative analysis and forward-looking information of historical statistics (such as counterparty ratings, guaranty methods, collateral categories, repayment methods, etc.), the Company establishes the default probability, default loss rate and default risk exposure model.

#### Definition:

The probability of default refers to the possibility that the debtor will not be able to fulfil its obligation to pay in the next 12 months or throughout the remaining period.

Breach Loss Rate means the extent of loss expected by the Company for breach risk exposure. Depending on the type of counterparty, the manner and priority of recourse, and the different collateral, the default loss rate is also different. The default loss rate is the percentage of the risk exposure loss at the time of the default, calculated on the basis of the next 12 months or the entire lifetime.

Exposure to default is the amount payable to the Company at the time of default in the next 12 months or throughout the remaining life. The assessment of significant increases in credit risk and the calculation of expected credit losses both involve forward-looking information. Through the analysis of historical data, the Company has identified the key economic indexes that affect the credit risk of each business type and the expected credit loss.

The largest credit risk facing the Group is the book value of each financial asset on the balance sheet. The Group makes no guarantee that may cause the Group credit risks. Among the Company's accounts receivable, the accounts receivable (including contract assets) from the top five customers accounted for 12.02% of the total accounts receivable (prior period: 11.01%). Among the Company's other receivables, the other receivables from the top five counterparties by amount accounted for 70.50% of the total other receivables (prior period:

71.82%).

## 2. Liquidity risk

Liquidity risk is the risk of capital shortage when the Group needs to pay cash or settled with other financial assets. The Company is responsible for the cash management of its subsidiaries, including short-term investments in cash surpluses and loans to meet projected cash requirements. The Company's policy is to regularly monitor short and long-term liquidity requirements and compliance with borrowing agreements to ensure adequate cash reserves and readily available securities.

As of December 31, 2025, the maturity of the Company's financial liabilities is as follows:

In RMB10,000

Item	December 31, 2025			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Short-term loans	120,284.65			120,284.65
Notes payable	42,911.06			42,911.06
Account payable	200,969.52	1,659.43	1,440.17	204,069.12
Employees' wage payable	6,781.28			6,781.28
Other payables	5,087.03	1,622.93	5,827.31	12,537.27
Non-current liabilities due in 1 year	37,908.92			37,908.92
Other current liabilities	6,091.89			6,091.89
Long-term loans		30,000.00	99,000.00	129,000.00
Lease liabilities		739.16	158.79	897.95
Total	420,034.35	34,021.52	106,426.27	560,482.14

(Continued)

Item	December 31, 2024			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Short-term loans	166,369.64	-	-	166,369.64
Derivative financial liabilities	152.06	-	-	152.06
Notes payable	68,118.81	-	-	68,118.81
Account payable	213,195.52	297.46	1,166.51	214,659.49
Other payables	8,013.60	1,109.24	2,968.96	12,091.80
Non-current liabilities due in 1 year	12,846.95	-	-	12,846.95

Item	December 31, 2024			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Other current liabilities	5,083.56	-	-	5,083.56
Long-term loans	-	96,700.00	17,000.00	113,700.00
Lease liabilities	-	923.06	142.20	1,065.26
Total	473,780.14	99,029.76	21,277.67	594,087.57

### 3. Market risk

#### (1) Credit risks

The exchange rate risk of the Company mainly comes from the assets and liabilities of the Company and its subsidiaries in foreign currency not denominated in its functional currency. Except for the Company's subsidiaries established in the Hong Kong Special Administrative Region of the People's Republic of China and other overseas jurisdictions, which use Hong Kong Dollars, U.S. Dollars, Australian Dollars, Vietnamese Dong, Euros, Indian Rupees, UAE Dirhams, or Singapore Dollars for pricing and settlement, the Company's other principal operations are priced and settled in RMB.

As of Wednesday, December 31, 2025, the foreign currency financial assets and foreign currency financial liabilities of the Company at the end of the period are listed in the description of foreign currency monetary items in Note V, 61.

The Company pays close attention to the impact of exchange rate changes on the Company's exchange rate risk. The Company continuously monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize foreign exchange risks. To this end, the Company may avoid foreign exchange risks by signing forward foreign exchange contracts or currency swap contracts.

#### (2) Exchange rate risk

The Group's interest rate risk mainly arises from long-term interest-bearing debts such as long-term bank loans. Financial liabilities with floating interest rate cause cash flow interest rate risk for the Group. Financial liabilities with fixed interest rate cause fair value interest rate risk for the Group. The Group decides the proportion between fixed interest rate and floating interest rate according to the market environment and regularly reviews and monitors the combination of fixed and floating interest rate instruments.

The Finance Department at the Company's head office monitors the level of the Group's

interest rates on an ongoing basis. The rising interest rate will increase the cost of the new interest-bearing debt and the interest expenditure on interest-bearing debt which has not yet been paid by the Company at the floating rate, and will have a significant adverse effect on the Company's financial performance. Management will make adjustments in time according to the latest market conditions.

For the period ended December 31, 2025, assuming all other risk variables remain unchanged, if the interest rate on borrowings calculated at floating rates were to increase or decrease by 50 basis points, the Company's net profit for the year would decrease or increase by RMB6,502,300 (prior period: RMB4,800,000).

#### 4. Hedging

##### (1) Risk management of hedging operations

Item	Corresponding risk management strategies and objectives	Qualitative and quantitative information about the hedged risk	Economic relationships between hedged items and related hedging instruments	Effective achievement of expected risk management objectives	The impact of the corresponding hedging activities on the risk exposure
Aluminum futures hedging	Utilizing the hedging function of futures tools, the Company carries out aluminum futures hedging business to reasonably avoid the risks brought about by fluctuations in the prices of relevant raw materials to its operations, to enhance the Company's overall ability to withstand risks and to strengthen the robustness of its operating activities.	The Company uses aluminum futures to hedge aluminum-related raw materials in its prospective procurement business. The Company adopts the strategy of dynamic hedging of commodity price risk exposure by adjusting its futures contract position according to a certain percentage of its prospective procurement exposure, and the exposure* hedging ratio is basically the same as the quantity of the commodity represented by the futures position.	The underlying variables are standard aluminum prices, and the values of hedged items and hedging instruments change in opposite directions due to facing the same hedged risks, and there is a relationship of mutual hedging of risks.	The Company has formulated relevant internal management systems for its aluminum futures hedging and forward foreign exchange trading business, and continuously evaluates the effectiveness of hedging to ensure that the hedging relationship is effective in the designated	Buy or sell corresponding aluminum futures contracts to hedge the risk exposure existing in the spot business side.
Forward foreign exchange contract value preservation	Utilizing the hedging and protection function of forward foreign exchange contracts, the Company carries out the business of hedging foreign currency receivables in order to reasonably avoid the risks brought by exchange rate fluctuations to its	The Company uses forward foreign exchange contracts to hedge expected receivables. The Company employs a strategy of dynamic hedging of exchange rate exposures, whereby foreign exchange contract positions are adjusted according to a certain percentage of the expected	The underlying variables are all foreign currency exchange rates. The exchange rates of the hedged item and the hedging instrument change in opposite directions due to exposure to the same hedged risk,	accounting period, and that the risks of fluctuations in raw material purchasing prices and exchange rate fluctuations of foreign-currency receivables are controlled within	Buy or sell corresponding forward foreign exchange contracts to hedge the risk exposure of foreign currency receivables.

Item	Corresponding risk management strategies and objectives	Qualitative and quantitative information about the hedged risk	Economic relationships between hedged items and related hedging instruments	Effective achievement of expected risk management objectives	The impact of the corresponding hedging activities on the risk exposure
	operations, enhance the Company's overall ability to withstand risks, and strengthen the soundness of its operating activities.	foreign currency receivable exposure, and the ratio of the exposure* hedge is essentially the same as the receivable represented by the contract position.	and there is a relationship of risk hedging.	a reasonable range, so as to enhance the Company's risk-resistance ability and increase the robustness of its operating activities.	

## (2) Eligible hedging operations and application of hedge accounting

Item	Carrying value associated with hedged items and hedging instruments	Cumulative fair value hedge adjustments to hedged items included in the carrying value of the hedged item recognized	Hedge effectiveness and sources of hedge ineffectiveness	Impact of hedge accounting related to the Company's financial statements
------	---	--	--	--

## Types of hedge risk

Price risk	1,459,950.00	Inapplicable	Relevance of hedged items to hedging instruments	Derivative financial assets: RMB1,459,950.00 □ Other comprehensive income: RMB1,240,957.50 □ Deferred tax liabilities: RMB218,992.50
Exchange rate risk		Inapplicable	Relevance of hedged items to hedging instruments	Finance costs: RMB97,537.72

## Type

Cash flow hedging	1,459,950.00	Inapplicable	Relevance of hedged items to hedging instruments	Derivative financial assets: RMB1,459,950.00 □ Other comprehensive income: RMB1,240,957.50 □ Deferred tax liabilities: RMB218,992.50 □ Finance costs: RMB97,537.72
-------------------	--------------	--------------	--	---

**5. Transfer of financial assets**

## (1) Classification of financial assets by method of transfer

Transfer method of financial assets	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for judging derecognition
Endorsement or discounting	Outstanding promissory notes in notes receivable	40,781,530.88	Not derecognized	Promissory notes used for discounting or endorsement are accepted by banks or enterprises with low credit ratings, discounting or endorsement does not affect recourse, and the credit risk and deferred payment risk associated with the notes remain untransferred
Endorsement or discounting	Outstanding bankers' acceptances in receivables financing	33,761,787.71	Derecognition	Bankers' acceptances used for discounting or endorsement are accepted by banks with high credit ratings and the credit risk and deferred payment risk associated with the instruments are low
Factoring	Outstanding receivables in receivables financing	105,859,442.51	Derecognition	Non-recourse factoring
Total	-	180,402,761.10	-	-

## (2) Financial assets derecognized due to transfers

Item	Transfer method of financial assets	De-recognized amount	Gain or loss related to the de-recognition
Outstanding bankers' acceptances in receivables financing	Endorsement or discounting	33,761,787.71	
Account receivable	Factoring	105,859,442.51	-3,565,876.31
Total	-	139,621,230.22	-3,565,876.31

**XI. Fair Value**

The level of fair value measurement results is determined by the lowest level of input values of importance to the fair value measurement as a whole:

First level: quotation of same assets or liabilities in an active market (unadjusted)

Second level: a directly or indirectly observable input value of the asset or liability in addition to the first level input value.

Third level: unobservable input value of the related asset or liability.

**1. On December 31, 2025, the fair value of assets and liabilities measured at fair value**

Item	Fair Value on Wednesday, December 31, 2025			
	First level fair value	Second level fair value	Third level fair value	Total
1. Continuous fair value measurement				
(I) Transactional financial assets		1,460,360.06		1,460,360.06
1. Financial assets measured at fair value with variations accounted into current income account		1,460,360.06		1,460,360.06
1. Transactional financial assets		410.06		410.06
(1) Derivative financial assets		1,459,950.00		1,459,950.00
(II) Investment property			5,548,371,426.50	5,548,371,426.50
1. Leased building			5,548,371,426.50	5,548,371,426.50
(III) Other non-current financial assets			6,516,131.63	6,516,131.63
Total assets measured at fair value continuously		1,460,360.06	5,554,887,558.13	5,556,347,918.19
(IV) Transactional financial liabilities				
Total assets measured at fair value continuously				
Total assets measured at fair value continuously				

For the financial instruments traded in the active market, the Company determines their fair value based on their quoted prices in the active market; for the financial instruments not traded in the active market, the Company adopts valuation technology to determine their fair value. The valuation models are mainly cash flow discount model and market comparable company model. The input value of valuation technology mainly includes risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, liquidity premium, lack of liquidity discount, etc.

## **2. Valuation technique and qualitative and quantitative information for key parameters of continuous and discontinuous second level fair value items**

For derivative financial assets and derivative financial liabilities with fair value of forward exchange contracts, the fair value is determined based on the market value of expected earnings at the balance sheet date.

Receivables financed at fair value through other comprehensive income are notes receivable, for which the fair value is determined based on the book value due to the short remaining maturity.

## **3. Valuation technique and qualitative and quantitative information for key**

### parameters of continuous and discontinuous third level fair value items

Investment properties measured at fair value are appraised using the comparative and income approaches. Comparison method: It selects a certain number of comparable examples, compares them with the valuation object and processes the comparable instance transaction prices according to the difference to obtain the value or price of the valuation object. The income approach is a method of predicting the future earnings of the object of valuation, and using the rate of compensation or capitalization rate, income multiplier to convert the future earnings into value to get the value or price of the object of valuation.

#### 4. Fair value of financial assets and liabilities not measured at fair value

Financial assets and liabilities measured at amortized cost include: monetary capital, bills receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payables, other payables, and long-term payables.

## XII. Related Parties and Transactions

Criteria for identifying related parties: Parties are considered related if one party controls, jointly controls, or exercises significant influence over another party, or if two or more parties are subject to common control or joint control by the same party.

### 1. Information on the Company's Parent Company

Major shareholder	Relationship	Ownership type	Registered address	Legal representative	Business
Shenzhen Banglin Technologies Development Co., Ltd.	Affiliated party	Limited liability company	Shenzhen	Chen Jinwu	Industrial investment
Shengjiu Investment Ltd.	Affiliated party	Limited liability company	Hong Kong	Xiong Jianming	Industrial investment

#### Major shareholders (Continued):

Major shareholder	Registered capital (in RMB10,000)	Shareholding in the Company (%)	Voting rights in the Company (%)
Shenzhen Banglin Technologies Development Co., Ltd.	3,000.00	11.11	11.11
Shengjiu Investment Ltd.	HKD100.00	10.73	10.73

Notes:

① The major shareholder of the Company, Shenzhen Banglin Technology Development Co., Ltd., is wholly owned by natural persons, among whom Mr. Xiong Jianming, Chairman of the Company, holds 85% of the shares, and Mr. Xiong Xi, Vice Chairman of the Company,

holds 15% of the shares.

② Among the top 10 shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are acting in concert.

③ The final controller of the Company is Xiong Jianming.

## 2. Profiles of the subsidiaries

For details of subsidiaries of the enterprise, please refer to Note VIII, rights and interests in other entities.

## 3. Joint ventures and associates

(1) Important joint ventures and associates of the Company

The Company's significant joint ventures or associates are disclosed in Note 8, "Interests in Other Entities."

(2) During the reporting period, the related party transactions with the Company and other joint ventures or joint ventures with the balance formed by the related party transactions with the Company are as follows:

Joint venture or associate	Relationship with the Company
Shenzhen Ganshang Joint Investment Co., Ltd.	Affiliates of the Company

## 4. Other related parties

Other related parties	Relationship with the Company
Shenzhen Yikang Real Estate Co. Ltd.	Controlled subsidiaries
Shenzhen Skylot Technology Co., Ltd.	Common actual controller
Director, manager and secretary of the Board	Key management

## 5. Related transactions

(1) Related transactions for purchase and sale of goods, provision and acceptance of services

Sales of goods and services

Associated party	Related transaction	2025	2024
Shenzhen Skylot Technology Co., Ltd.	Property service and sales of goods	34,773.14	17,392.00

(2) Related leasing

The Company is the leasor:

Name of the leasee	Category of asset for lease	Recognized in 2025 Rental income	Recognized in 2024 Rental income
Shenzhen Skylot Technology Co., Ltd.	Houses & buildings	86,857.14	86,857.15

## (3) Related guarantees

The Company is the guarantor:

Beneficiary party	Amount guaranteed (RMB10,000)	Start date	Due date	Whether the guarantee has been fully performed
Fangda Construction Technology	93,000.00	December 28, 2023	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	24,000.00	May 27, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	4,000.00	June 20, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	39,000.00	January 24, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	30,000.00	October 20, 2023	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	30,000.00	December 21, 2023	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	36,000.00	June 27, 2024	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	15,000.00	May 30, 2024	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	10,000.00	September 25, 2023	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	10,000.00	December 21, 2023	Three years after the expiration date of debt performance	Yes
Fangda Property	135,000.00	February 25, 2020	Three years after the expiration date of debt performance	Yes
Fangda New Material	10,000.00	July 08, 2024	Three years after the expiration date of debt performance	Yes
Fangda New Material	8,500.00	November 02, 2023	Three years after the expiration date of debt performance	Yes
Fangda Zhijian	7,000.00	May 08, 2024	Three years after the expiration date of debt performance	Yes
Fangda Yunzhu	1,000.00	May 07, 2024	Three years after the expiration date of debt performance	Yes
Fangda Yunzhu	1,000.00	June 28, 2024	Three years after the expiration date of debt performance	Yes
Fangda Yunzhu	600.00	June 03, 2024	Three years after the expiration date of debt performance	Yes
Fangda Dongguan New Material	5,000.00	August 26, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction	103,000.00	January 17, 2025	Three years after the expiration date	Yes

Beneficiary party	Amount guaranteed (RMB10,000)	Start date	Due date	Whether the guarantee has been fully performed
Technology			of debt performance	
Fangda Construction Technology	15,000.00	May 11, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	50,000.00	September 04, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	30,000.00	November 11, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	60,000.00	June 27, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	20,000.00	December 27, 2024	Three years after the expiration date of debt performance	Yes
Fangda Construction Technology	60,000.00	December 19, 2024	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	35,800.00	June 27, 2024	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	20,000.00	November 11, 2024	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	15,000.00	September 04, 2024	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	10,000.00	May 11, 2024	Three years after the expiration date of debt performance	Yes
Total amount of guarantee fulfilled	877,900.00			
Fangda Construction Technology	101,000.00	December 21, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	39,000.00	January 14, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	15,000.00	July 01, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	48,000.00	December 15, 2024	Three years after the expiration date of debt performance	No
Fangda Construction Technology	11,150.00	August 16, 2023	Three years after the expiration date of debt performance	No
Fangda Construction Technology	50,000.00	July 16, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	20,000.00	December 09, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	25,000.00	January 10, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	4,900.00	April 28, 2025	Three years after the expiration date of debt performance	No
Fangda	20,000.00	November 04, 2024	Three years after the expiration date	No

Beneficiary party	Amount guaranteed (RMB10,000)	Start date	Due date	Whether the guarantee has been fully performed
Construction Technology			of debt performance	
Fangda Construction Technology	40,000.00	August 07, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	35,000.00	April 21, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	30,000.00	March 27, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	25,000.00	December 23, 2025	Three years after the expiration date of debt performance	No
Fangda Construction Technology	60,000.00	December 12, 2025	Three years after the expiration date of debt performance	No
Fangda Zhijian	7,000.00	June 30, 2025	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	18,000.00	December 15, 2024	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	35,800.00	July 22, 2025	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	20,000.00	April 21, 2025	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	10,000.00	December 09, 2025	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	15,000.00	July 16, 2025	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	10,000.00	July 01, 2025	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	15,475.00	November 21, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	15,000.00	January 13, 2025	Three years after the expiration date of debt performance	No
Fangda Yunzhu	1,000.00	March 25, 2025	Three years after the expiration date of debt performance	No
Fangda Yunzhu	700.00	April 21, 2025	Three years after the expiration date of debt performance	No
Fangda New Material	8,500.00	February 27, 2025	Three years after the expiration date of debt performance	No
Fangda Property	110,000.00	April 02, 2025	Three years after the expiration date of debt performance	No
Fangda Intelligent Manufacturing	30,000.00	February 22, 2024	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	31,896.02	February 17, 2024	Date of project contract completion	No
Fangda Zhiyuan	24,885.16	February 17, 2024	Date of project contract completion	No
Dongguan New Materials	5,000.00	July 01, 2025	Three years after the expiration date of debt performance	No

Beneficiary party	Amount guaranteed (RMB10,000)	Start date	Due date	Whether the guarantee has been fully performed
Total amount of guarantee being performed	882,306.18			

Description of related party guarantee: The above-mentioned guarantees are all associated guarantees within interested entities of the Company.

## 6. Receivable and payables due with related parties

### (1) Receivable interest

Item	Affiliated party	December 31, 2025		December 31, 2024	
		Remaining book value	Bad debt provision	Remaining book value	Bad debt provision
Account receivable	Shenzhen Skylot Technology Co., Ltd.	10,048.39	100.48	85,792.00	857.92
Other receivables	Shenzhen Ganshang Joint Investment Co., Ltd.	3,791,089.25	2,531,120.89	3,791,089.25	56,487.23
Other receivables	Shenzhen Yikang Real Estate Co. Ltd.	76,062,675.83	760,626.76	76,062,675.83	1,133,333.87

### (2) Receivable interest

Item	Affiliated party	December 31, 2025	December 31, 2024
Other payables	Shenzhen Yikang Real Estate Co. Ltd.	26,159,711.72	26,159,711.72
Other payables	Shenzhen Skylot Technology Co., Ltd.	19,760.00	19,760.00
Other payables	Shenzhen Ganshang Joint Investment Co., Ltd.	3,355.36	3,355.36

## XIII. Contingent events

### 1. Major commitments

In July 2018, the Company's subsidiary Fangda Real Estate Co. Ltd. (Party A) signed a contract with Shenzhen Yikang Real Estate Co. Ltd. (Party B1) and Shenzhen Qianhai Zhongzheng Dingfeng No. 6 Investment Enterprise (Limited Partnership) (Party B2), "Shenzhen Henggang Dakang Village Project Cooperation Agreement". Party B agrees to transfer the entire equity of the project company it holds and the entire development interest of the project to Party A. Party A shall pay Party B a total of RMB600 million for the cooperation price. As of December 31, 2025, Fangda Property has paid Party B and the

project company RMB50 million of security deposit, RMB20 million of service fee, RMB61,937,200 of equity transfer and RMB81,862,200 of other related payments.

The Company has no other commitments that should be disclosed by December 31, 2025.

## 2. Contingencies

Significant contingencies on the balance sheet date:

### (1) Litigation Matters

Case Type	Initiation Date	Plaintiff	Defendant/Respondent	Project Involved	Litigation/Arbitration Claims	Case Status as of December 31, 2025
Unresolved Major Litigation/Arbitration	June 19, 2019	Langfang Aomei Jiyeh Real Estate Development Co., Ltd.	Fangda Construction Technology	Langhefang Project	1. Termination of the construction contract;□ 2. Compensation for liquidated damages related to delay and quality defects amounting to RMB13,721,315.00;□ 3. Double refund of the contract price totaling RMB6,000,000;□ 4. Additional claims filed subsequently for repair works amounting to RMB22,935,269.98; Counterclaim by Fangda Construction Technology Co., Ltd. for payment of outstanding contract sums and other amounts totaling RMB13,939,863.27	As of the disclosure date of this report, the case is still under trial.

Case Type	Initiation Date	Plaintiff	Defendant/Respondent	Project Involved	Litigation/Arbitration Claims	Case Status as of December 31, 2025
	March 2022	Xiangheng Property (Jinan) Co., Ltd.	Fangda Construction Technology	Jinan Kerry Integrated Development Project (Phase I and II) – Specialist Subcontract for Supply and Installation of Aluminum Windows, Louvers, and Curtain Wall Systems	1. Deductions, rectification, rework, and repair costs arising from quality issues amounting to RMB8,995,672.29; 2. Scaffolding dismantling costs of RMB4,000; 3. Quality inspection and testing fees of RMB323,271.91; 4. Legal fees of RMB690,000.00; Counter-arbitration claim by Fangda Construction Technology Co., Ltd. for payment of contract sums and related expenses totaling RMB18,062,462.28	As of the date of this report's disclosure, the arbitration tribunal has issued a partial award on the undisputed portion of the counterclaim (requiring Xiangheng Property to pay RMB5,073,672.92 plus interest in advance), and Fangda Construction Technology has applied for enforcement. The remaining issues in the case are under consolidated hearing.
	August 2025	Fangda Construction Technology	Chengdu Wenjiang Yufu Wansheng Rail Transit Urban Development Co., Ltd. and Chengdu Xinghuangfei Enterprise Management Co., Ltd. (a single-shareholder company)	Chengdu Wenjiang R&F Center Project	1. Payment of contract sums and interest totaling RMB17,238,120.44; 2. Joint and several liability borne by Chengdu Xinghuangfei Enterprise Management Co., Ltd.; 3. Assertion of priority right over the project proceeds	In February 2026, the court of first instance ruled that Chengdu Wenjiang Yufu Wansheng Rail Transit Urban Development Co., Ltd. shall pay RMB17,222,549.37 in contract sums and recognized Fangda Construction Technology's priority right over the curtain wall works of the tower and podium of the project. As of the date of this report's disclosure, the defendant has appealed against the first-instance judgment, and the case remains under adjudication.
	August 2024	Fangda Construction Technology	South China International Industrial Materials City (Shenzhen) Co., Ltd. and South China City Holdings Limited	South China International Electronic Industrial Raw Materials Logistics Zone (Phase I) Project	Payment of principal contract sums, interest, and other amounts totaling RMB46,004,481.42, along with assertion of priority right over the construction project proceeds.	As of the disclosure date of this report, the case is still under trial.
	December 2025	Shenzhen Jinshun Yuan Industrial Group Co., Ltd.	Fangda Construction Technology	Jinshun Mingju Project	Claim against Fangda Construction Technology Co., Ltd. for liquidated damages for delay amounting to RMB9,250,070.	As of the disclosure date of this report, the court has filed and accepted the case, and is awaiting a hearing.

Case Type	Initiation Date	Plaintiff	Defendant/Respondent	Project Involved	Litigation/Arbitration Claims	Case Status as of December 31, 2025
	December 2025	Fangda Construction Technology	Shanghai Lianhong Property Co., Ltd.	West Hongqiao Project	Payment of principal contract sums and interest totaling RMB26,269,434.95, along with assertion of priority right over the construction project proceeds.	As of the disclosure date of this report, the court has filed and accepted the case, and is awaiting a hearing.
Major Litigation Not Yet Fully Enforced	September 2022	Fangda Property	Shenzhen Hongtao Group Co., Ltd. (Hongtao Company)	Fangda Town Building No. 3	1. Claim for payment of principal purchase price and interest totaling RMB56,527,427.01; 2. Counterclaim by Hongtao Company for rescission of the "Supplementary Agreement on Real Estate Sale" and payment of liquidated damages for delayed title registration amounting to RMB44,046,859.04	The court of first instance ruled that Hongtao Company shall pay the purchase price of RMB40,127,678.19 and overdue interest (RMB8,418,135.54 as of June 30, 2022, with subsequent interest calculated at the LPR rate until full payment). The court dismissed all of Hongtao Company's counterclaims. Both parties appealed, and the appellate court upheld the original judgment. As of the date of this report's disclosure, the case has entered the enforcement stage.
	April 2023	Fangda Construction Technology	Guangzhou Kaidaer Investment Co., Ltd. (Kaidaer Company)	Kaidaer Hub International Plaza Project	1. Termination of the construction contract; 2. Payment of principal contract sums of RMB113,529,244.60 and interest; 3. Assertion of priority right over the construction project proceeds	The court of first instance ruled that Kaidaer Company shall pay the principal contract sums and corresponding interest, and confirmed that Fangda Construction Technology Co., Ltd. holds a priority right over the discounted or auction proceeds of the project's curtain wall works. As of the date of this report's disclosure, the case has entered the enforcement stage.

Case Type	Initiation Date	Plaintiff	Defendant/Respondent	Project Involved	Litigation/Arbitration Claims	Case Status as of December 31, 2025
	September 2022	Fangda Construction Technology	Logan Construction Engineering Co., Ltd. and Shenzhen Logan Junjing Real Estate Development Co., Ltd. (Owner)	Logan Jiuzuan Project – Parcel 05 and Parcel 09	Claim for payment of principal contract sums and interest totaling RMB33,197,543.00	1. Parcel 05: The court of first instance ruled that Logan Company shall pay contract sums of RMB7,709,679.55, quality retention of RMB6,033,911.38, and corresponding interest, and recognized Fangda Construction Technology's priority right over the project proceeds. The appellate court upheld the original judgment and additionally ruled that the owner bears joint and several liability for repayment. The case has entered the enforcement stage. 2. Parcel 09: The court of first instance ruled that Logan Company shall pay contract sums of RMB9,166,924.08, quality retention of RMB4,875,762.96, and corresponding interest, and recognized Fangda Construction Technology's priority right over the project proceeds. The appellate court upheld the original judgment and additionally ruled that the owner bears joint and several liability for repayment. The case has entered the enforcement stage.
	November 2023	Fangda Construction Technology	Jiangxi Huilian Property Co., Ltd. and Jiangxi Boneng Industrial Group Co., Ltd.	Nanchang Shanglian Center Project	1. Payment of contract sums and interest totaling RMB45,309,399.07; 2. Assertion of priority right over the construction project proceeds	The court of first instance ruled that Huilian Property shall pay RMB38,800,206.53 and interest, and that Boneng Industrial bears joint and several liability for RMB37,563,144.42 of that amount and corresponding interest. The court did not support acceleration of the quality retention or recognition of the priority right. On appeal by Fangda Construction Technology, the appellate court recognized the priority right. As of the date of this report's disclosure, the case has entered the enforcement stage.

Case Type	Initiation Date	Plaintiff	Defendant/Respondent	Project Involved	Litigation/Arbitration Claims	Case Status as of December 31, 2025
	December 2024	Fangda Construction Technology	Shenzhen Suhao Investment Co., Ltd. (Suhao Company) and Zhang Shengjie	Ziyuanyuan Building Curtain Wall Project	1. Payment of principal contract sums, interest, and other amounts totaling RMB18,600,899.46; 2. Assertion of priority right over the construction project proceeds	In August 2025, the court of first instance ruled that Suhao Company shall pay RMB18,171,796.03 and overdue interest (calculated at 0.03% per day on a base amount of RMB17,814,305.41 from November 1, 2024; RMB110,000 already paid has been offset against interest), Zhang Shengjie bears joint and several liability, and Fangda Construction Technology's priority right was confirmed. In September 2025, Fangda Construction Technology applied for enforcement. As of the date of this report's disclosure, the case is under enforcement.
	August 2025	Fangda Construction Technology	Zhejiang R&F Real Estate Development Co., Ltd. and Hangzhou Lianfu Real Estate Development Co., Ltd.	R&F Center Project	1. Payment of principal contract sums and interest totaling RMB10,102,081.10; 2. Assertion of priority right over the construction project proceeds	In January 2026, the court of first instance ruled that both defendants shall jointly pay contract sums of RMB9,915,000 and interest, and confirmed the priority right. Neither party appealed, and the judgment has taken effect. As of the date of this report's disclosure, the case has entered the enforcement stage.

Case Type	Initiation Date	Plaintiff	Defendant/Respondent	Project Involved	Litigation/Arbitration Claims	Case Status as of December 31, 2025
	March 2024	Fangda Construction Technology	Shenzhen Roland Sibao Property Development Co., Ltd., Shenzhen Hanking Group Co., Ltd., Shenzhen Hairunde Petrochemical Technology Co., Ltd., Wu Shaojie, and Huang Jianwen (Legal Representative and Guarantor)	Hanking Financial Project and Hanking Era Project	Claim for payment of principal contract sums and interest totaling RMB59,126,328.21	In January 2025, the parties reached a settlement, and the court issued a judicial confirmation order (defendants to pay RMB55,418,127.73, with the legal representative providing additional personal guarantee). In May 2025, Fangda Construction Technology applied for enforcement due to defendants' breach of the settlement terms. In July 2025, an enforcement settlement was reached, but the defendants breached again. In November 2025, Fangda Construction Technology re-applied for enforcement (claiming unpaid principal and interest amounting to RMB42,490,699.70). As of the date of this report's disclosure, the court has accepted the case and enforcement proceedings are ongoing.

(2) Contingent liabilities and their financial impact arising from providing debt guarantees for other entities.

By December 31, 2025, the Company has provided loan guarantees for the following entities:

Name of guaranteed entity	Guarantee	Amount (in RMB10,000)	Term
Fangda Property	Guarantee and mortgage guarantee	108,000.00	2025.04.02-2040.03.28
Fangda Intelligent Manufacturing	Guarantee	28,000.00	2024.03.15-2030.03.14
Fangda Construction Technology	Guarantee	10,500.00	2025.03.19-2026.03.18
Fangda Construction Technology	Guarantee	4,000.00	2025.03.21-2026.03.21
Fangda Construction Technology	Guarantee	5,000.00	2025.06.17-2026.06.16
Fangda Construction Technology	Guarantee	4,900.00	2025.05.23-2026.05.18
Fangda Construction Technology	Guarantee	29,700.00	2024.06.26-2026.06.25
Fangda Construction	Guarantee	4,000.00	2025.06.30-2026.06.17

Name of guaranteed entity	Guarantee	Amount (in RMB10,000)	Term
Technology			
Fangda Yunzhu	Guarantee	600.00	2025.03.25-2026.03.24
Fangda Zhiyuan	Guarantee	1,200.00	2025.03.31-2026.03.30
Fangda Zhiyuan	Guarantee	4,000.00	2025.06.20-2026.06.19
Total		199,900.00	

Note 1: Contingent liabilities caused by guarantees provided for other entities are all related guarantees between interested entities in the Company.

Notes 2: The Company's property business provides periodic mortgage guarantee for property purchasers. The term of the periodic guarantee lasts from the effectiveness of guarantee contracts to the completion of mortgage registration and transfer of housing ownership certificates to banks. As of December 31, 2025, the Company's outstanding contingent guarantee liability related to the above matters amounted to RMB4,890,000.

### (3) Other contingent liabilities and their influences

As of December 31, 2025, the Company has no significant contingencies that need to be disclosed.

## 3. Others

### Status of Undischarged Guarantees as of December 31, 2025

Currency	Guarantee balance (original currency)	Cash deposits as security (Equivalent in RMB)	Utilized credit facilities (Equivalent in RMB)
CNY	780,950,867.53	31,931.14	780,950,867.53
Hong Kong dollars (HKD)	22,259,665.45	15,000,000.00	20,105,375.03
United States dollars (USD)	5,739,305.43	1,962,466.66	38,377,963.35
SGD	18,396,338.00		100,418,250.61
AUD	14,124,550.00		66,232,839.86
EUR	1,257,254.67		10,354,120.83
Total		16,994,397.80	1,016,439,417.21

## XIV. Post-balance-sheet events

### 1. Profit distribution

On April 3, 2026, the sixteenth meeting of the tenth session of the Company's Board of Directors deliberated and approved the full text and summary of the 2025 Annual Report and

the "2025 Profit Distribution Proposal." The Company will not distribute cash dividends, issue bonus shares, or convert capital reserves into share capital for the year 2025.

## **2. Notes to other issues in post balance sheet period**

The Company has no other issues in post balance sheet period that need to be disclosed on April 03, 2026 (report date approved by the Board of Directors).

## **XV. Other material events**

### **1. Segment information**

#### **(1) Recognition basis and accounting policy for segment report**

The Group divides its businesses into five reporting segments. The reporting segments are determined based on financial information required by routine internal management. The Company's management regularly evaluates the operating results of these reporting segments to decide on the allocation of resources and to assess their performance.

The reporting segments are:

① Curtain wall division: production and sales of curtain wall materials, design, production and installation of building curtain walls, curtain wall testing and maintenance services;

② Rail transit branch: assembly and processing of subway screen doors, screen door detection and maintenance services;

③ Real Estate Segment: Engaging in real estate development and operations, property leasing, and property management services on land for which lawful use rights have been obtained.

(4) New energy segment: photovoltaic power generation, photovoltaic power plant sales, photovoltaic equipment R & D, installation, and sales, and photovoltaic power plant engineering design and installation

(5) Others

The segment report information is disclosed based on the accounting policies and measurement standards used by the segments when reporting to the management. The policies and standards should be consistent with those used in preparing the financial statement.

## (2) Segment profit or loss, assets and liabilities

2025 / December 31, 2025	Curtain wall	Rail transport	Real estate	New energy	Others	Offset	Total
Turnover	2,582,489,536.60	596,770,482.60	185,100,036.04	19,396,434.57	22,995,999.62	29,449,422.99	3,377,303,066.44
Including: external transaction income	2,569,944,686.00	596,770,482.60	176,038,964.94	18,558,764.40	15,990,168.50		3,377,303,066.44
Inter-segment transaction income	12,544,850.60	-	9,061,071.10	837,670.17	7,005,831.12	29,449,422.99	
Including: major business turnover	2,548,180,137.18	586,079,070.27	184,943,757.90	19,396,434.57	15,990,168.50	24,569,535.92	3,330,020,032.50
Operating cost	2,425,206,394.27	425,418,439.30	79,275,284.65	7,968,831.22	8,267.66	16,340,264.57	2,921,536,952.53
Including: major business cost	2,395,869,372.69	414,437,641.54	54,017,532.42	7,968,831.22	8,267.66	16,340,264.57	2,855,961,380.96
Operation cost	511,878,426.79	70,735,133.33	390,636,076.52	2,899.22	32,765,653.12	-60,234,823.86	1,066,253,012.84
Operating profit/(loss)	-354,595,284.46	100,616,909.97	-284,811,325.13	11,424,704.13	-9,777,921.16	73,343,982.28	-610,486,898.93
Total assets	6,880,323,000.07	977,857,042.55	5,751,277,252.87	130,227,209.06	3,493,828,343.18	4,658,112,779.98	12,575,400,067.75
Total liabilities	4,587,040,203.14	548,307,670.17	3,140,426,669.50	4,155,436.68	1,177,066,961.10	2,489,222,259.19	6,967,774,681.40

## (Continued)

2024 / December 31, 2024	Curtain wall	Rail transport	Real estate	New energy	Others	Offset	Total
Turnover	3,561,702,648.49	612,820,581.01	230,469,222.06	19,026,115.66	22,532,419.32	22,326,788.83	4,424,224,197.71
Including: external transaction income	3,555,996,915.26	612,820,581.01	222,272,168.63	18,259,004.01	14,875,528.80		4,424,224,197.71
Inter-segment transaction income	5,705,733.23	-	8,197,053.43	767,111.65	7,656,890.52	22,326,788.83	
Including: major business turnover	3,507,442,041.54	612,264,588.95	229,870,892.86	19,026,115.66	22,532,419.32	18,016,623.58	4,373,119,434.75
Operating cost	3,091,539,824.79	438,654,376.83	61,531,185.13	8,032,304.65	81,137.33	11,696,532.25	3,588,142,296.48
Including: major business cost	3,047,951,367.08	438,554,056.89	61,531,185.13	8,032,304.65	81,137.33	10,755,162.77	3,545,394,888.31
Operation cost	429,824,307.98	78,706,103.75	106,801,017.62	611,754.43	-32,044,875.40	-92,308,898.05	676,207,206.43
Operating profit/(loss)	40,338,515.72	95,460,100.43	62,137,019.31	10,382,056.58	54,496,157.39	102,939,154.63	159,874,694.80
Total assets	7,532,568,590.72	1,032,310,791.63	6,175,077,185.56	135,707,679.69	3,854,072,616.26	5,174,349,638.65	13,555,387,225.21
Total liabilities	5,019,209,775.53	637,907,745.67	3,341,408,537.22	4,400,541.98	1,564,868,771.71	3,186,519,125.29	7,381,276,246.82

## (3) Others

## ① External revenue from principal products and services

Item	2025	2024
Metal production	2,549,499,511.03	3,506,046,473.56

Item	2025	2024
Railroad industry	586,079,070.27	612,264,588.95
New energy industry	18,558,764.40	18,259,004.01
Real estate	175,882,686.80	236,549,368.23
Total	3,330,020,032.50	4,373,119,434.75

## ② Geographic breakdown of operating revenue

Item	2025	2024
In China	2,995,104,526.33	4,027,988,850.55
Out of China	382,198,540.11	396,235,347.16
Total	3,377,303,066.44	4,424,224,197.71

**XVI. Notes to Financial Statements of the Parent****1. Account receivable**

## (1) Account age

Age	December 31, 2025	December 31, 2024
Less than 1 year	5,278,640.77	2,857,394.06
4-5 years		359,129.89
Over 5 years	359,129.89	
Subtotal	5,637,770.66	3,216,523.95
Less : Bad debt provision	411,916.30	331,398.60
Total	5,225,854.36	2,885,125.35

## (2) Disclosure by bad debt accrual method

Type	December 31, 2025				
	Remaining book value		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision rate %	
Separate bad debt provision					
Provision for bad debts by combination	5,637,770.66	100.00	411,916.30	7.31	5,225,854.36
Combination 3: Other business models	5,637,770.66	100.00	411,916.30	7.31	5,225,854.36
Total	5,637,770.66	100.00	411,916.30	7.31	5,225,854.36

(Continued)

Type	December 31, 2024		
	Remaining book value	Bad debt provision	Book value

	Amount	Proportion (%)	Amount	Provision rate %	
Separate bad debt provision					
Provision for bad debts by combination	3,216,523.95	100.00	331,398.60	10.30	2,885,125.35
Combination 3: Other business models	3,216,523.95	100.00	331,398.60	10.30	2,885,125.35
Total	3,216,523.95	100.00	331,398.60	10.30	2,885,125.35

Method of bad debt provision:

① Accounts receivable for which allowance for doubtful accounts is provided under Portfolio 3: Other Category

Age	December 31, 2025			December 31, 2024		
	Remaining book value	Bad debt provision	Providing rate (%)	Remaining book value	Bad debt provision	Providing rate (%)
Less than 1 year	5,278,640.77	52,786.41	1.00	2,857,394.06	20,858.98	0.73
4-5 years				359,129.89	310,539.62	86.47
Over 5 years	359,129.89	359,129.89	100.00			
Total	5,637,770.66	411,916.30	7.31	3,216,523.95	331,398.60	10.30

Provision for bad debts by combination: 11.

(3) Changes in bad debt provision

Type	December 31, 2024	Change in the period				December 31, 2025
		Provision	Written-back or recovered	Write-off	Other change	
Portfolio 3. Others	331,398.60	80,517.70				411,916.30

(4) No written-off account receivable during the report period

(5) Accounts receivable and contract assets with the top-5 ending balances, grouped by party owed

The aggregate amount of the top five accounts receivable by debtor at period-end totaled RMB5,282,959.37, representing 93.71% of the total accounts receivable balance, with a corresponding aggregate allowance for doubtful accounts of RMB408,368.19.

## 2. Other receivables

(1) Classification of notes receivable

Item	December 31, 2025	December 31, 2024
Other receivables	1,131,454,187.78	1,622,103,166.85

Item	December 31, 2025	December 31, 2024
Total	1,131,454,187.78	1,622,103,166.85

## (2) Other receivables

## (1) Disclosure by age

Age	December 31, 2025	December 31, 2024
Less than 1 year	3,425,432.76	53,408,271.79
1-2 years	53,345,434.89	642,978,380.00
2-3 years	632,978,380.00	92,577,980.00
3-4 years	92,577,980.00	680,897,404.79
4-5 years	318,667,629.82	152,242,066.54
Over 5 years	30,459,793.09	-
Subtotal	1,131,454,650.56	1,622,104,103.12
Less : Bad debt provision	462.78	936.27
Total	1,131,454,187.78	1,622,103,166.85

## (2) Classification by nature of funds

By nature	December 31, 2025	December 31, 2024
Accounts between related parties within the scope of consolidation	1,131,408,372.96	1,622,041,266.22
Others	46,277.60	62,836.90
Subtotal	1,131,454,650.56	1,622,104,103.12
Less : Bad debt provision	462.78	936.27
Total	1,131,454,187.78	1,622,103,166.85

## ③ Method of bad debt Disclosed

A. The provision for bad debts as at Wednesday, December 31, 2025 is based on the three-phase model as follows:

Step segment	Remaining book value	Bad debt provision	Book value
First stage	1,131,454,650.56	462.78	1,131,454,187.78
Total	1,131,454,650.56	462.78	1,131,454,187.78

As at Wednesday, December 31, 2025, the first phase of the provision for bad debts:

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
Separate bad debt provision				
Provision for bad debts by combination	1,131,454,650.56	0.00	462.78	1,131,454,187.78
Portfolio 3: deposit and margin				

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
receivable				
Portfolio 7: Other receivables	46,277.60	1.00	462.78	45,814.82
Portfolio 6: related party funds within the scope of consolidation	1,131,408,372.96			1,131,408,372.96
Total	1,131,454,650.56	0.00	462.78	1,131,454,187.78

B. The provision for bad debts as at December 31, 2024 is based on the three-phase model as follows:

Step segment	Remaining book value	Bad debt provision	Book value
First stage	1,622,104,103.12	936.27	1,622,103,166.85
Total	1,622,104,103.12	936.27	1,622,103,166.85

As at Tuesday, December 31, 2024, the first phase of the provision for bad debts:

Type	Remaining book value	Providing rate (%)	Bad debt provision	Book value
Separate bad debt provision				
Provision for bad debts by combination	1,622,104,103.12	0.00	936.27	1,622,103,166.85
Portfolio 3: deposit and margin receivable				
Portfolio 7: Other receivables	62,836.90	1.49	936.27	61,900.63
Portfolio 6: related party funds within the scope of consolidation	1,622,041,266.22			1,622,041,266.22
Total	1,622,104,103.12	0.00	936.27	1,622,103,166.85

The amount of the bad debt provision is Basis:

Provision for bad debts by combination: 11.

④ Changes in bad debt provision

Type	December 31, 2024	Change in the period				December 31, 2025
		Provision	Written-back or recovered	Write-off	Other change	
Other receivables and bad debt provision	936.27	-473.49				462.78
Total	936.27	-473.49				462.78

⑤ No other receivables were actually written off during the current period.

⑥ Balance of top 5 other receivables at the end of the period

Entity	By nature	Balance on Wednesday, December 31, 2025	Age	Percentage (%)	Bad debt provision
Shenzhen Fangda Property Development Co., Ltd.	Related party funds within the scope of consolidation	3,379,155.16	Less than 1 year	82.16	
		12,706,314.89	1-2 years		
		615,478,380.00	2-3 years		
		72,577,980.00	3-4 years		
		225,409,345.03	4-5 years		
Fangda (Jiangxi) Property Development Co., Ltd.	Related party funds within the scope of consolidation	40,639,120.00	1-2 years	15.15	
		17,500,000.00	2-3 years		
		20,000,000.00	3-4 years		
		93,258,284.79	4-5 years		
Shihui International Holding Co., Ltd.	Related party funds within the scope of consolidation	30,459,793.09	Over 5 years	2.69	
Housing provident fund	Non-related parties	23,311.00	Less than 1 year	0.00	233.11
Social insurance contributions	Non-related parties	20,070.95	Less than 1 year	0.00	200.71
Total		1,131,451,754.91		100.00	433.82

### 3. Long-term share equity investment

#### (1) Long-term share equity investment

Item	December 31, 2025			December 31, 2024		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Investment in subsidiaries	1,706,562,530.00		1,706,562,530.00	1,657,062,530.00		1,657,062,530.00

#### (2) Investment in subsidiaries

Invested entity	December 31, 2024		Change (+,-)				December 31, 2025	
	Book value	Balance of impairment provision	Increased investment	Decreased investment	Impairment provision	Others	Book value	Balance of impairment provision
Fangda Construction Technology	751,950,000.00						751,950,000.00	
Fangda Jiangxi New Material	74,496,600.00						74,496,600.00	
Fangda Property	198,000,000.00						198,000,000.00	

Invested entity	December 31, 2024		Change (+,-)				December 31, 2025	
	Book value	Balance of impairment provision	Increased investment	Decreased investment	Impairment provision	Others	Book value	Balance of impairment provision
Shihui International	61,653.00						61,653.00	
Fangda New Energy	99,000,000.00						99,000,000.00	
Fangda Investment Holding Company	98,000,000.00						98,000,000.00	
Fangda Intelligent Manufacturing	198,000,000.00		49,500,000.00				247,500,000.00	
Fangda Zhiyuan	237,554,277.00						237,554,277.00	
Total	1,657,062,530.00		49,500,000.00				1,706,562,530.00	

#### 4. Operational revenue and costs

Item	2025		2024	
	Income	Cost	Income	Cost
Main business	22,995,999.62	8,267.66	22,532,419.32	81,137.33
Total	22,995,999.62	8,267.66	22,532,419.32	81,137.33

#### 5. Investment income

Item	2025	2024
Dividends distributed by subsidiaries	25,500,000.00	72,929,550.62
Investment income of trading financial assets during obtained the holding period	176,162.22	-
Total	25,676,162.22	72,929,550.62

### XVII. Supplementary Materials

#### 1. 1. Detailed accidental gain/loss

Item	2025
Non-current asset disposal gain/loss (including the write-off part for which assets impairment provision is made)	-3,032,277.77
Government grants recognized in the current period's profit or loss (except for government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuous impact on the Company's profit or loss)	7,081,782.93
Gains and losses from changes in the fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	1,491,525.97

Item	2025
One-time expenses incurred by the enterprise due to the discontinuation of related business activities, such as expenditures for employee placement.	-1,145,361.48
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	-280,731,968.67
Other non-business income and expenditures other than the above	-17,778,105.99
Other gain/loss items satisfying the definition of non-recurring gain/loss account	
Total non-recurring gain and loss	-294,114,405.01
Less: Influence of non-recurring gain and loss on income tax	-73,720,330.38
Net non-recurring gain and loss	-220,394,074.63
Less: Net non recurring profit and loss attributable to minority shareholders	-38.58
Net non recurring profit and loss attributable to common shareholders of the company	-220,394,036.05

## 2. Net income on asset ratio and earning per share

### ① 2025

Profit of the report period	Weighted average net income/asset ratio (%)	Earning per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	-8.75	-0.48	-0.48
Net profit attributable to the common owners of the PLC after deducting of non-recurring gains/losses	-4.98	-0.27	-0.27

### ② 2024

Profit of the report period	Weighted average net income/asset ratio (%)	Earning per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	2.41	0.13	0.13
Net profit attributable to the common owners of the PLC after deducting of	2.66	0.15	0.15

Profit of the report period	Weighted average net income/asset ratio (%)	Earning per share	
		Basic earnings per share	Diluted earnings per share
non-recurring gains/losses			

Company's name: China Fangda Group Co., Ltd.

Date: April 03, 2026