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# ZTE

## ZTE CORPORATION

### 中興通訊股份有限公司

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 00763)**

#### **2025 FIRST QUARTERLY REPORT**

**The Company and all the members of the Board of Directors confirm that all the information contained in this information disclosure is true, accurate and complete and that there is no false and misleading statement or material omission in this information disclosure.**

**This announcement is published simultaneously in the Mainland in accordance with the Rules Governing Listing of Stocks on The Shenzhen Stock Exchange and in Hong Kong in accordance with the disclosure obligations under Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions set out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).**

#### **§1 IMPORTANT**

- 1.1 The Board of Directors, Supervisory Committee and the Directors, Supervisors and senior management of ZTE Corporation (“ZTE” or the “Company”) warrant that the contents of this quarterly report are true, accurate and complete without false information, misleading statements or material omissions, and collectively and individually accept responsibility therefor.
- 1.2 This quarterly report has been considered and approved at the Third Meeting of the Tenth Session of the Board of Directors of the Company held on 22 April 2025. Mr. Yan Junwu, Director, was unable to attend the meeting due to work reasons and has authorised Mr. Zhu Weimin, Director, to vote on his behalf.
- 1.3 Mr. Li Zixue, Legal Representative of the Company, Ms. Li Ying, Chief Financial Officer of the Company and Ms. Wang Xiuhong, Head of Finance Division of the Company, hereby declare that they warrant the truthfulness, accuracy and completeness of the financial statements contained in this report.
- 1.4 The financial statements contained in this quarterly report are unaudited. The financial information contained in this quarterly report has been prepared in accordance with PRC Accounting Standards for Business Enterprises.

1.5 All monetary amounts set out in this quarterly report are expressed in RMB.

1.6 This quarterly report is published in both Chinese and English. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

## §2 MAJOR FINANCIAL DATA

### 2.1 Major accounting data and financial indicators of the Company and its subsidiaries (the “Group”)

Statement on retrospective adjustments to or restatement of accounting data for the previous year by the Company because of changes in accounting policies and rectification of accounting errors

√ Applicable   □ N/A

On 6 December 2024, the PRC Ministry of Finance published the “ASBE Interpretation 18”, ascertained amounts of provision arising from product quality warranties that do not fall within the category of standalone performance obligation should be accounted for as “operating costs of principal business” and “other business costs” and should cease to be included under “selling and distribution costs”. For details, please refer to the “Overseas Regulatory Announcement” published by the Company on 28 February 2025. In accordance with the aforesaid accounting interpretation, the Company has adjusted its “operating costs” and “selling and distribution costs” on the financial statements for the first quarter of 2024 on a retrospective basis.

Save as disclosed above, there were no changes in accounting estimates or rectification of accounting errors.

Item	The reporting period (Three months ended 31 March 2025)	Same period last year (Three months ended 31 March 2024)	Increase/decrease for the reporting period compared with the same period last year
Operating revenue (RMB in thousands)	32,968,196	30,578,301	7.82%
Net profit attributable to holders of ordinary shares of the listed company (RMB in thousands)	2,453,172	2,740,979	(10.50%)
Net profit after extraordinary items attributable to holders of ordinary shares of the listed company (RMB in thousands)	1,956,700	2,649,236	(26.14%)
Net cash flows from operating activities (RMB in thousands)	1,851,253	2,982,601	(37.93%)
Basic earnings per share (RMB/share)	0.51	0.57	(10.53%)
Diluted earnings per share (RMB/share)	0.51	0.57	(10.53%)
Weighted average return on net assets (%)	3.38%	3.94%	Decreased by 0.56 percentage point

Item	As at the end of the reporting period (31 March 2025)	As at the end of last year (31 December 2024)	Increase/decrease as at the end of the reporting period compared with the end of last year
Total assets (RMB in thousands)	217,918,283	207,323,230	5.11%
Owners' equity attributable to holders of ordinary shares of the listed company (RMB in thousands)	72,283,277	72,808,483	(0.72%)

## 2.2 Extraordinary gains or losses items and amounts

Unit: RMB in thousands

Extraordinary item	Amount Three months ended 31 March 2025
Investment gain from the disposal of investment in associates and joints	(557)
Gains or losses from fair-value change arising from financial assets and financial liabilities, and gains or losses from disposal of financial assets and financial liabilities held by the Company, excluding the effective value-protection hedge relating to the normal operation of the Company	269,581
Other gains other than income from VAT refund on software products, refund of handling charge for personal tax and VAT add-on deductibles	65,438
Reversal of bad-debt provision for individually significant trade receivables for which provision was separately made	416
Net of other non-operating income and expenditure other than the above	15,453
Other gains or losses falling under the definition of extraordinary gain or loss	234,649
Less: Effect of income tax	87,747
Effect of non-controlling interest (after tax)	761
<b>Total</b>	<b>496,472</b>

The Group recognised extraordinary items of gain or loss in accordance with provisions under the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuer of Securities — Extraordinary Items”. The following items, which are set out in the provisions as extraordinary items, have been categorised as recurring items:

Unit: RMB in thousands

Item	Three months ended 31 March 2025	Reasons
Income from VAT rebate for software products	705,267	Operational on an ongoing basis
Income from refund of handling charge for withholding personal tax	34,515	Operational on an ongoing basis
Investment gain and gain from fair-value change of Shenzhen ZTE Capital Management Company Limited (“ZTE Capital”)	14,736	Business with the scope of operation of ZTE Capital

## 2.3 Substantial changes in key financial data and financial indicators of the Company and the reasons thereof

Unit: RMB in thousands

<b>Balance sheet</b>				
<b>Item</b>	<b>31 March 2025</b>	<b>31 December 2024</b>	<b>Change</b>	<b>Analysis of reasons for changes</b>
Receivable financing	356,955	4,243,041	(91.59%)	Attributable mainly to the increase in unexpired bill discounting for the period
Prepayments	1,381,589	692,097	99.62%	Attributable mainly to the increase in prepayments for purchases from third parties for the period
Other current assets	12,348,115	8,899,348	38.75%	Attributable mainly to the increase in the purchase of fixed-income certificates as well as prepaid VAT and credit tax available for setoff for the period
Derivative financial liabilities	82,205	200,853	(59.07%)	Attributable mainly to the decrease in loss on fair-value remeasurement at the end of the period of certain derivative contracts for the period
Taxes payable	1,567,000	1,205,018	30.04%	Attributable mainly to the increase in the personal income tax and enterprise income tax payables for the period
Other payables	6,116,616	3,236,993	88.96%	Attributable mainly to the increase in dividends payable for the period
Non-current liabilities due within one year	11,469,041	5,592,740	105.07%	Attributable mainly to the increase in long-term borrowings due within one year for the period
Bonds payable	2,012,456	1,004,880	100.27%	Attributable mainly to the medium-term notes newly issued for the period
<b>Income Statement</b>				
<b>Item</b>	<b>Three months Ended 31 March 2025</b>	<b>Three months Ended 31 March 2024</b>	<b>Change</b>	<b>Analysis of reasons for changes</b>
Finance costs	(340,005)	(63,793)	(432.98%)	Attributable mainly to the increase in the net interest income for the period and the exchange gain due to exchange rate fluctuations for the period versus loss for the same period last year
Investment income	3,750	(131,304)	102.86%	Attributable mainly to the the increase in gain from structured deposits and the decrease in loss from associates and joint ventures for the period

## Income Statement

Item	Three months Ended 31 March 2025	Three months Ended 31 March 2024	Change	Analysis of reasons for changes
Gains from changes in fair values	152,214	(171,295)	188.86%	Attributable mainly to the gain on end-of-period fair-value remeasurement of derivative contracts for the period versus loss for the same period last year
Credit impairment losses (loss indicated by negative value)	(117,240)	(32,226)	263.81%	Attributable mainly to the increase in receivable impairment provision for the period
Asset impairment losses (loss indicated by negative value)	(80,064)	(378,745)	(78.86%)	Attributable mainly to the decrease in inventory impairment provision for the period
Gains from asset disposal	-	3,856	(100.00%)	Attributable mainly to the gain from disposal of non-current assets for the the same period last year
Non-operating income	16,642	8,726	90.72%	Attributable mainly to the increase in compensatory income received from third parties for the period
Non-operating expenses	1,189	18,239	(93.48%)	Attributable mainly to the decrease in non-operating loss for the period
Non-controlling interests	10,945	20,206	(45.83%)	Attributable mainly to the decrease in the profit reported by certain subsidiaries in which the Group had a higher percentage of shareholding for the period
Effective portion of hedge instruments	(27)	2,440	(101.11%)	Attributable mainly to the loss on end-of-period fair-value remeasurement of hedging instruments for the period versus gain for the same period last year
Exchange differences on translation of foreign operations and others	(35,708)	(53,913)	33.77%	Attributable mainly to the decrease in loss on translation of statements in foreign currency due to exchange rate fluctuations for the period
Other comprehensive income attributable to non-controlling interests, net of tax	(157)	229	(168.56%)	Attributable mainly to the subsidiaries' loss on translation of statements in foreign currency due to exchange rate fluctuations for the period versus gain for the same period last year

<b>Cash Flow Statement</b>				
<b>Item</b>	<b>Three months Ended 31 March 2025</b>	<b>Three months Ended 31 March 2024</b>	<b>Change</b>	<b>Analysis of reasons for changes</b>
Net cash flows from operating activities	1,851,253	2,982,601	(37.93%)	Attributable mainly to the increase in cash paid for the purchase of goods and labour services for the period
Net cash flows from investing activities	(1,383,661)	(15,060,862)	90.81%	Attributable mainly to the decrease in net outflow from investments for the period
Effect of changes in foreign exchange rate on cash and cash equivalents	(11,252)	49,954	(122.52%)	Attributable mainly to the loss on translation due to exchange rate fluctuations for the period versus gain for the same period last year

### §3 SHAREHOLDER INFORMATION

#### 3.1 Total number of shareholders and shareholdings of top 10 shareholders and top 10 holders of shares that were not subject to lock-up of the Company as at the end of the reporting period

As at 31 March 2025, all shares held by the top 10 shareholders of the Company were shares not subject to lock-up, namely the shareholdings of the top 10 shareholders not subject to lock-up and the shareholdings of the top 10 shareholders were identical, the details of which are set out as follows:

Total number of shareholders						
<b>As at 31 March 2025</b>	There were 542,757 shareholders in total (comprising 542,461 holders of A shares and 296 holders of H shares).					
Shareholdings of the top 10 shareholders						
Name of shareholders	Nature of shareholders	Percentage of shareholdings	Number of shares held as at the end of the reporting period (shares)	Class of shares	Number of shares held subject to lock-up (shares)	Number of shares pledged, marked or frozen (shares)
1. Zhongxingxin Telecom Company Limited (“Zhongxingxin”)	Domestic general corporation	20.09%	958,940,400 2,038,000 <sup>Note1</sup>	A share H share	-	Nil
2. HKSCC Nominees Limited <sup>Note2</sup>	Foreign shareholder	15.73%	752,306,076	H share	-	Unknown
3. Hong Kong Securities Clearing Company Limited <sup>Note3</sup>	Foreign corporation	1.59%	76,075,241	A share	-	Nil
4. ICBC Limited – Huatai Pinebridge CSI 300 Traded Open-ended Index Securities Investment Fund	Others	1.10%	52,638,805	A share	-	Nil
5. Central Huijin Asset Management Co., Ltd.	State-owned corporation	0.88%	42,171,534	A share	-	Nil
6. Hunan Nantian (Group) Co., Ltd.	State-owned corporation	0.87%	41,516,065	A share	-	Nil
7. CCB Limited— eFund CSI 300 Traded Open-ended Index Securities Investment Fund By Way of Promotion	Others	0.77%	36,820,540	A share	-	Nil
8. ICBC Limited— Huaxia CSI 300 Traded Open-ended Index Securities Investment Fund	Others	0.52%	24,999,382	A share	-	Nil
9. Wang Shichen	Domestic natural person	0.52%	24,726,320	A share	-	Nil
10. BOC Limited— Harvest CSI 300 Traded Open-ended Index Securities Investment Fund	Others	0.49%	23,248,976	A share	-	Nil
Descriptions of any connected party relationships or concerted actions among the above shareholders	Zhongxingxin was neither a connected party nor a concerted action of any of the top 10 shareholders. Save for the above, the Company is not aware of any connected party relationships or concerted party relationships among the top 10 shareholders.					
Description of involvement in financing and securities lending businesses of top 10 shareholders (if any)	Wang Shichen, the 9th ranking shareholders, held 10,250,000 A shares in the Company through a credit account.					

Note 1: 2,038,000 H shares in the Company held by Zhongxingxin were held by HKSCC Nominees Limited as nominee.

Note 2: Shares held by HKSCC Nominees Limited represented the sum of shares held in the accounts of the H shareholders of the Company traded on the trading platform of HKSCC Nominees Limited. To avoid repetition in counting, 2,038,000 H shares in the Company held by Zhongxingxin have been excluded from the number of shares held HKSCC Nominees Limited.

Note 3: Shares held by Hong Kong Securities Clearing Company Limited represented the sum of A shares in the Company purchased through Shenzhen Hong Kong Stock Connect (Northbound).

Loan-out of stocks under securities refinancing by shareholders holding 5% shares or above, top 10 shareholders and top 10 shareholders not subject to lock-up

Applicable     N/A

Change compared to the previous period as a result of loan / return of stocks under securities refinancing by top 10 shareholders and top 10 shareholders not subject to lock-up

Applicable     N/A

### **3.2 The Company had no preferential shares.**



## §4 QUARTERLY FINANCIAL STATEMENTS

### ZTE CORPORATION BALANCE SHEET

RMB in thousands

Asset	31 March 2025		31 December 2024	
	Consolidated (Unaudited)	Company (Unaudited)	Consolidated (Audited)	Company (Audited)
<b>Current assets:</b>				
Currency Cash	44,000,861	23,159,784	43,885,348	27,683,894
Trading financial assets	15,466,013	15,392,463	13,768,781	13,684,626
Derivative financial assets	172,438	117,831	173,439	170,471
Trade receivables	24,793,971	38,032,572	21,288,393	35,851,072
Factored trade receivables	6,463	6,463	6,498	6,498
Receivable financing	356,955	239,341	4,243,041	4,032,164
Prepayments	1,381,589	196,543	692,097	45,130
Other receivables	2,264,327	28,348,188	2,597,585	33,183,991
Inventories	44,447,940	17,194,387	41,257,657	15,376,654
Contract assets	6,117,504	4,135,166	4,972,074	3,077,266
Non-current assets due within one year	3,103	3,099	3,085	3,081
Other current assets	12,348,115	4,397,137	8,899,348	2,347,996
<b>Total current assets</b>	151,359,279	131,222,974	141,787,346	135,462,843
<b>Non-current assets:</b>				
Debt investment	26,422,058	17,776,018	25,068,445	12,768,949
Long-term receivables	876,566	3,744,566	833,972	3,682,681
Factored long-term receivables	8,618	8,618	8,664	8,664
Investment in associates and joints	2,272,780	18,940,662	2,333,836	18,317,291
Other non-current financial assets	718,946	644,401	715,761	650,001
Investment properties	99,045	-	99,045	-
Property, plant and equipment	13,991,737	5,554,573	14,178,419	5,674,552
Construction in progress	702,509	347,222	685,376	338,098
Right-of-use assets	1,469,279	910,694	1,551,573	975,283
Intangible assets	7,520,269	2,436,118	7,159,200	2,357,285
Development costs	1,425,738	212,439	1,594,563	341,722
Goodwill	14,425	-	14,425	-
Deferred tax assets	4,257,672	1,787,934	4,396,088	1,825,573
Other non-current assets	6,779,362	4,570,706	6,896,517	4,627,124
<b>Total non-current assets</b>	66,559,004	56,933,951	65,535,884	51,567,223
<b>Total assets</b>	217,918,283	188,156,925	207,323,230	187,030,066

Legal Representative: Li Zixue

Chief Financial Officer: Li Ying

Head of Finance Division: Wang Xiuhong

**ZTE CORPORATION**  
**BALANCE SHEET(CONTINUED)**

RMB in thousands

Liabilities and shareholders' equity	31 March 2025		31 December 2024	
	Consolidated (Unaudited)	Company (Unaudited)	Consolidated (Audited)	Company (Audited)
<b>Current liabilities:</b>				
Short-term loans	8,843,707	100,018	7,027,070	2,690,394
Bank advances on factored trade receivables	6,463	6,463	6,498	6,498
Derivative financial liabilities	82,205	81,918	200,853	173,045
Bills payable	13,404,420	16,981,042	10,959,334	15,167,898
Trade payables	25,594,824	35,475,987	22,371,792	36,840,535
Contract liabilities	11,466,351	10,066,963	12,859,416	10,929,399
Employee benefits payable	13,808,731	8,706,567	16,991,686	9,861,785
Taxes payable	1,567,000	254,453	1,205,018	148,754
Other payables	6,116,616	12,314,584	3,236,993	9,835,567
Provisions	1,905,384	785,246	2,184,073	679,084
Non-current liabilities due within one year	11,469,041	9,042,922	5,592,740	4,085,673
<b>Total current liabilities</b>	<u>94,264,742</u>	<u>93,816,163</u>	<u>82,635,473</u>	<u>90,418,632</u>
<b>Non-current liabilities:</b>				
Long-term loans	42,343,976	27,008,141	44,058,915	28,855,124
Bank advances on factored long-term trade receivables	8,618	8,618	8,664	8,664
Bonds payable	2,012,456	2,012,456	1,004,880	1,004,880
Lease liabilities	960,558	576,201	972,943	600,761
Long-term employee benefits payable	151,848	151,848	153,647	153,647
Deferred income	1,708,772	163,579	1,496,556	173,536
Deferred tax liabilities	88,675	-	90,651	-
Other non-current liabilities	3,810,484	1,996,943	3,791,219	1,970,166
<b>Total non-current liabilities</b>	<u>51,085,387</u>	<u>31,917,786</u>	<u>51,577,475</u>	<u>32,766,778</u>
<b>Total liabilities</b>	<u>145,350,129</u>	<u>125,733,949</u>	<u>134,212,948</u>	<u>123,185,410</u>
<b>Shareholders' equity:</b>				
Share capital	4,783,535	4,783,535	4,783,535	4,783,535
Capital reserves	27,476,099	27,330,356	27,476,099	27,330,356
Other comprehensive income	(2,501,266)	411,506	(2,465,531)	411,851
Special reserve	97,012	61,909	88,214	56,441
Surplus reserves	3,053,523	2,391,767	3,053,523	2,391,767
Retained profits	39,374,374	27,443,903	39,872,643	28,870,706
Total equity attributable to holders of ordinary shares of the parent	<u>72,283,277</u>	<u>62,422,976</u>	<u>72,808,483</u>	<u>63,844,656</u>
Non-controlling interests	284,877	-	301,799	-
<b>Total shareholders' equity</b>	<u>72,568,154</u>	<u>62,422,976</u>	<u>73,110,282</u>	<u>63,844,656</u>
<b>Total liabilities and shareholders' equity</b>	<u>217,918,283</u>	<u>188,156,925</u>	<u>207,323,230</u>	<u>187,030,066</u>

# ZTE CORPORATION

## INCOME STATEMENT

RMB in thousands

Item	Three months ended 31 March 2025		Three months ended 31 March 2024 (Restated)	
	Consolidated	Company	Consolidated	Company
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>1. Operating revenue</b>	32,968,196	35,258,197	30,578,301	32,813,251
Less: Operating costs	21,669,542	31,000,299	17,743,564	27,680,846
Taxes and surcharges	296,502	74,499	292,636	66,352
Selling and distribution costs	2,302,224	1,331,343	2,023,424	1,377,604
Administrative expenses	943,882	744,436	1,136,834	950,077
Research and development costs	5,946,993	1,864,757	6,375,823	1,778,519
Finance costs	(340,005)	(338,865)	(63,793)	(312,799)
Including: Interest expenses	1,228,744	507,147	1,213,986	633,914
Interest income	1,600,397	670,108	1,388,692	875,218
Add: Other income	805,220	33,580	856,207	243,225
Investment income	3,750	612,545	(131,304)	(241,637)
Including: Gains from investment in associates and joint ventures	(19,141)	(18,542)	(61,683)	(65,122)
Losses from derecognition of financial assets at amortised cost	(82,713)	(60,481)	(87,685)	(45,610)
Gains from changes in fair values	152,214	36,242	(171,295)	33,724
Credit impairment losses	(117,240)	(95,989)	(32,226)	(4,505)
Asset impairment losses	(80,064)	(101,495)	(378,745)	(51,225)
Gains from asset disposal	-	-	3,856	-
<b>2. Operating profit</b>	<u>2,912,938</u>	<u>1,066,611</u>	<u>3,216,306</u>	<u>1,252,234</u>
Add: Non-operating income	16,642	560,061	8,726	2,256
Less: Non-operating expenses	<u>1,189</u>	<u>11,684</u>	<u>18,239</u>	<u>2,099</u>
<b>3. Total profit</b>	<u>2,928,391</u>	<u>1,614,988</u>	<u>3,206,793</u>	<u>1,252,391</u>
Less: Income tax	<u>464,274</u>	<u>88,446</u>	<u>445,608</u>	<u>236,156</u>
<b>4. Net profit</b>	<u>2,464,117</u>	<u>1,526,542</u>	<u>2,761,185</u>	<u>1,016,235</u>
Analysed by continuity of operations				
Net profit from continuing operations	2,464,117	1,526,542	2,761,185	1,016,235
Analysed by ownership				
Attributable to holders of ordinary shares of the parent	2,453,172	1,526,542	2,740,979	1,016,235
Non-controlling interests	10,945	-	20,206	-
<b>5. Other comprehensive income, net of tax</b>	(35,892)	(345)	(51,244)	(17,699)
Other comprehensive income attributable to holders of ordinary shares of the parent, net of tax	(35,735)	(345)	(51,473)	(17,699)
Other comprehensive income that cannot be reclassified to profit or loss				
Change arising from the re-measurement of defined benefit plans	-	-	-	-
	-	-	-	-
Other comprehensive income that will be reclassified to profit and loss				
Effective portion of hedge instruments	(27)	(27)	2,440	2,440
Exchange differences on translation of foreign operations and others	<u>(35,708)</u>	<u>(318)</u>	<u>(53,913)</u>	<u>(20,139)</u>
	<u>(35,735)</u>	<u>(345)</u>	<u>(51,473)</u>	<u>(17,699)</u>
Other comprehensive income attributable to non-controlling interests, net of tax	<u>(157)</u>	<u>-</u>	<u>229</u>	<u>-</u>
<b>6. Total comprehensive income</b>	<u>2,428,225</u>	<u>1,526,197</u>	<u>2,709,941</u>	<u>998,536</u>
Attributable to holders of ordinary shares of the parent	2,417,437	1,526,197	2,689,506	998,536
Attributable to non-controlling interests	10,788	-	20,435	-
<b>7. Earnings per share (RMB/share)</b>				
(1) Basic earnings per share	RMB0.51		RMB0.57	
(2) Diluted earnings per share	RMB0.51		RMB0.57	

## ZTE CORPORATION

### CASH FLOW STATEMENT

RMB in thousands

Item	Three months ended 31 March 2025		Three months ended 31 March 2024	
	Consolidated	Company	Consolidated	Company
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>1. Cash flows from operating activities</b>				
Cash received from sale of goods or rendering of services	35,027,194	41,919,473	33,597,732	41,342,530
Refunds of taxes	2,063,594	1,308,364	857,747	286,246
Other cash received in relation to operating activities	998,719	183,688	1,719,819	610,547
<b>Sub-total of cash inflows</b>	<u>38,089,507</u>	<u>43,411,525</u>	<u>36,175,298</u>	<u>42,239,323</u>
Cash paid for goods and services	21,485,262	36,060,213	16,412,391	32,333,949
Cash paid to and on behalf of employees	10,643,696	3,467,640	10,938,177	3,566,793
Cash paid for various types of taxes	2,477,521	480,455	2,024,065	333,155
Other cash paid in relation to operating activities	1,631,775	2,171,380	3,818,064	1,786,369
<b>Sub-total of cash outflows</b>	<u>36,238,254</u>	<u>42,179,688</u>	<u>33,192,697</u>	<u>38,020,266</u>
<b>Net cash flows from operating activities</b>	<u>1,851,253</u>	<u>1,231,837</u>	<u>2,982,601</u>	<u>4,219,057</u>
<b>2. Cash flows from investing activities</b>				
Cash received from sale of investments	31,061,631	30,260,949	652,757	-
Cash received from return on investment	493,514	1,699,739	197,939	2,342,386
Net cash received from the disposal of property, plant and equipment, intangible assets and other long-term assets	4,400	207,672	240,410	243,260
Net cash received from the disposal of subsidiaries and other operating units	-	-	-	-
Other cash received in relation to investing activities	-	2,142,822	-	358,875
<b>Sub-total of cash inflows</b>	<u>31,559,545</u>	<u>34,311,182</u>	<u>1,091,106</u>	<u>2,944,521</u>
Cash paid for acquisition of property, plant and equipment, intangible assets and other long-term assets	1,178,057	389,189	977,466	340,214
Cash paid for acquisition of investments	31,765,149	34,658,222	15,174,502	14,342,363
Other cash paid in relation to investing activities	-	2,178,875	-	410,131
<b>Sub-total of cash outflows</b>	<u>32,943,206</u>	<u>37,226,286</u>	<u>16,151,968</u>	<u>15,092,708</u>
<b>Net cash flows from investing activities</b>	<u>(1,383,661)</u>	<u>(2,915,104)</u>	<u>(15,060,862)</u>	<u>(12,148,187)</u>
<b>3. Cash flows from financing activities</b>				
Cash received from capital injection	-	-	233,000	-
Including: Capital injection into subsidiaries by minority shareholders	-	-	233,000	-
Cash received from borrowings	33,772,748	24,869,126	88,734,764	45,334,749
Other cash received in relation to financing activities	-	8,929,901	-	589,994
<b>Sub-total of cash inflows</b>	<u>33,772,748</u>	<u>33,799,027</u>	<u>88,967,764</u>	<u>45,924,743</u>
Cash repayment of borrowings	28,350,370	23,346,051	82,118,681	45,749,049
Cash payments for distribution of dividends, profits and for interest expenses	405,652	237,676	793,691	440,062
Including: Distribution of dividends and profits by subsidiaries to minority shareholders	27,710	-	112,430	-
Other cash paid in relation to financing activities	107,098	8,657,108	96,714	630,050
<b>Sub-total of cash outflows</b>	<u>28,863,120</u>	<u>32,240,835</u>	<u>83,009,086</u>	<u>46,819,161</u>
<b>Net cash flows from financing activities</b>	<u>4,909,628</u>	<u>1,558,192</u>	<u>5,958,678</u>	<u>(894,418)</u>
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	(11,252)	(244)	49,954	45,869
<b>5. Net increase in cash and cash equivalents</b>	<u>5,365,968</u>	<u>(125,319)</u>	<u>(6,069,629)</u>	<u>(8,777,679)</u>
Add: cash and cash equivalents at the beginning of the period	28,026,417	15,604,627	51,013,167	36,863,970
<b>6. Net balance of cash and cash equivalents at the end of the period</b>	<u>33,392,385</u>	<u>15,479,308</u>	<u>44,943,538</u>	<u>28,086,291</u>

By Order of the Board  
**Fang Rong**  
Chairman

Shenzhen, the PRC  
22 April 2025

*As at the date of this announcement, the Board of Directors of the Company comprises executive director, Xu Ziyang; non-executive directors, Fang Rong, Yan Junwu, Zhu Weimin, Zhang Hong; and independent non-executive directors, Zhuang Jiansheng, Wang Qinggang, Tsui Kei Pang.*