

Yangzhou Yangjie Electronic Technology Co., Ltd.
2024 Semi-annual Report

2024-048

August 2024

Section I Important Notice, Table of Contents and Definitions

The Board of Directors, the Board of Supervisors and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of the semi-annual report (hereinafter referred to as this "Report"), guarantee that there are no false records, misleading statements or material omissions contained in this Report, and assume individual and joint and several legal liability arising therefrom.

Liang Qin, the person in charge of the Company, Dai Juan, the person in charge of accounting of the Company, and She Jing, the person in charge of the Company's accounting department (Accounting Officer), declare that they warrant the truthfulness, accuracy and completeness of the financial statements in this Report.

All directors were present in person at the Board of Directors meeting to consider and approve this Report.

1. Risk in market competition

The semiconductor industry is characterized by a high degree of market-oriented development, fierce market competition, and an apparent industry cycle. The Company is targeting middle- and high-end markets and import substitution in terms of product positioning to directly engage in the strong competition against international brands. In the future, if the Company fails to adapt to market changes in terms of new product R&D, lean management capabilities, market positioning, and the building of marketing networks, it will face an increased risk in market competition, which may affect its share in middle- and high-end markets and leading position in several market segments.

2. Technological risk

The industry where the Company is demonstrates rapid development with a high speed of iteration and updating in the fields of technology, products and downstream applications. In terms of the pace and speed of investment in technological fields such as large-sized high-end wafers and advanced packaging, the Company is facing a risk to the realization of the design technology of high-end products and the opportunities for their applications to be chosen by downstream customers. Moreover, in terms of the pace and speed of investment in fields related to the third generation semiconductors, such as technological cooperation, talent introduction, R&D platform construction and the planning of wafer production lines, the Company is at risk from the rapid emergence of silica-based alternatives to its products in the field of downstream applications. If the Company fails to make timely and accurate judgments on the development trend of the industry, fails to catch up the industry's technological development in terms of product R&D and technological innovation, or deviates from the correct technological route or market direction, its profitability and market competitiveness may be influenced, so as to threaten its current leading position in the industry.

3. Management risk

In recent years, the Company has continuously expanded its business scale & scope and staff size with the rapid expansion of the departments related to its business department system, R&D system, extended investment system and decision-making support system, which has imposed higher requirements for the leadership and the ability to maneuver business risks of the Company's management and the quality and the ability of the Company's managers to adapt to rapid changes. Although the Company has continued to strengthen the construction of its internal management system and improve the system-based development of its organizational capabilities, the Company's operation and development will still be affected if

the Company's organizational capabilities, management mode and talent development fail to adapt to the changes in the Company's internal and external environments in the future.

4. M&A risk

The Company attaches great importance to a development strategy that values both endogenous growth and extended development and actively improves its industry chain and enriches its product family through M&A. However, the Company takes risks in the integration with the targets of M&A in terms of corporate culture, management teams, technological R&D and customer resource management. If they fail to achieve effective integration, the Company's investment may not result in the expected effect, thereby influencing the Company's business performance.

5. International political and economic environment risk

In recent years, the global economy has experienced a downturn, and changes in the international macroeconomic environment have accelerated. Fluctuations in exchange rates and intensified geopolitical conflicts have led to uncertainties in the international trade landscape. Leading economies, spearheaded by the United States, have sequentially tightened export control policies targeting the semiconductor industry and imposed tariffs on semiconductor products made in China, which could have uncertain impacts on international market supply, product pricing, and monetary settlements. The Company's business operations are closely linked to these macroeconomic conditions. Should large-scale economic and trade frictions arise in the future, they could impact the business planning of overseas clients and suppliers, posing a risk of adverse effects on the Company's performance.

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List of Reference Documents

I. Financial statements bearing the signatures and seals of the

Definitions

| Item | Refers to | Definition |
|--|-----------|--|
| The Company, Company, and Yangjie Technology | Refers to | Yangzhou Yangjie Electronic Technology Co., Ltd. |
| Semiconductor | Refers to | A substance with a conductivity that is intermediate between those of a conductor and an insulator, such as silicon and germanium |
| MOSFET and MOS | Refers to | Metal-Oxide-Semiconductor-Field-Effect Transistor. It is a field-effect transistor that can be extensively used in analog and digital circuits |
| IGBT | Refers to | Insulated Gate Bipolar Transistor. It is a composite fully controlled voltage-driven power semiconductor component that consists of BJT (bipolar junction transistor) and MOS (insulated gate field-effect tube) |
| SiC | Refers to | Silicon carbide. It is a silicon carbide compound, which is the main material of the third generation of semiconductor |
| GaN | Refers to | Gallium nitride. It is a gallium nitride compound, which is a kind of direct bandgap semiconductor |
| Wafer and chip | Refers to | Wafer and chip |

| | | |
|--|-----------|---|
| | | services and establishes a system to collect, manage, analyze, and use customer information to assist enterprises in realizing the customer-centered management mode. Customer relationship management is both a management philosophy and a kind of software technology. |
| MCC Germany | Refers to | Micro Commercial Components GmbH |
| J&V Semiconductor | Refers to | Yangzhou J&V Semiconductor Company |
| MCC USA | Refers to | Micro Commercial Components Corporation (USA) |
| CS and Caswell | Refers to | Caswell Industries Limited (BVI) |
| MCC Taiwan | Refers to | MCC Semiconductor Co., Ltd. |
| Jiangsu Power | Refers to | Jiangsu Power Microelectronics Co., Ltd. |
| Chengdu Qingyang | Refers to | Chengdu Qingyang Electronic Material Co., Ltd. |
| Inner Mogolia Qingyang | Refers to | Inner Mongolia Qingyang Electronic Material Co., Ltd. |
| Yajixin | Refers to | Sichuan Yajixin Electronic Technology Co., Ltd. |
| Yangjie Investment | Refers to | Jiangsu Yangjie Investment Co., Ltd. |
| MCC Hong Kong | Refers to | MCC Semiconductor HK Co., Ltd. |
| MCC Shenzhen | Refers to | Shenzhen MCC Semiconductor Co., Ltd. |
| Yingxing Jiexin | Refers to | Yixing Jiexin Semiconductor Co., Ltd. |
| Jiangsu Huanxin | Refers to | Jiangsu Huanxin Semiconductor Co., Ltd. [Note 3] |
| Guoyu Electronics | Refers to | Yangzhou Guoyu Electronics Co., Ltd. |
| Yangjie Semiconductor | Refers to | Jiangsu Yangjie Semiconductor Co., Ltd. |
| Jaywin Chip | Refers to | Yangzhou Jaywin Auto Chip Co., Ltd. |
| Shanghai Xinyangjie | Refers to | Shanghai Xinyangjie Electronics Co., Ltd. |
| Yangjie Korea | Refers to | Yangjie Electronic Korea Co., Ltd. |
| MCC Jiangsu | Refers to | Jiangsu MCC Semiconductor Co., Ltd. |
| Hangzhou E-Giant and E-Giant Semiconductor | Refers to | Hangzhou E-Giant Semiconductor Technology Co., Ltd. |
| Yangzhou Jiemei | Refers to | Yangzhou Jiemei Semiconductor Co., Ltd. |
| Sihong Hongxin | Refers to | Sihong Hongxin Semiconductor Co., Ltd. |
| Shanghai Lingxin | Refers to | Shanghai Lingxin Semiconductor Technology Co., Ltd. |
| Wuxi Lingxin | Refers to | Wuxi Lingxin Semiconductor Technology Co., Ltd. |
| Yangjie Wuxi | Refers to | Yangjie Technology (Wuxi) Co., Ltd. |
| Runau | Refers to | Jiangsu Yangjie Runau Semiconductor Co., Ltd. |
| Wuxi Jiexiwei | Refers to | Wuxi Jiexiwei Semiconductor Co., Ltd. |
| Hunan Jiechuwei Semiconductor | Refers to | Hunan Jiechuwei Semiconductor Technology Co., Ltd. |
| Yangzhou Jieguan | Refers to | Yangzhou Jieguan Microelectronics Co., Ltd. |
| Yangjie Japan | Refers to | YJ Technology Japan Co., Ltd. |
| MCC Singapore | Refers to | MCC Singapore Pte. Ltd. |
| MCC Vietnam | Refers to | MICRO COMMERCIAL COMPONENTS VIETNAM COMPANY LIMITED |

Section II Company Profile and Principal Financial Indicators

I. Corporate Information

| | | | |
|--------------------------------------|--|------------|--------|
| Stock abbreviation | Yangjie Technology | Stock code | 300373 |
| Previous stock abbreviation (if any) | / | | |
| Listing stock exchange | Shenzhen Stock Exchange | | |
| Chinese name | | | |
| Chinese abbreviation (if any) | | | |
| English name (if any) | Yangzhou Yangjie Electronic Technology Co., Ltd. | | |
| English abbreviation (if any) | Yangjie Technology | | |
| Legal representative of the Company | Liang Qin | | |

II. Contacts and Contact Information

Board Secretary

Yes No

| | The Reporting Period | Same Period of the Previous Year | Increase/decrease from the Same Period of the Previous Year |
|---|-----------------------------|----------------------------------|---|
| Operating revenue (RMB) | 2,865,255,202.25 | 2,624,742,386.62 | 9.16% |
| Net profit attributable to shareholders of the listed company (RMB) | 424,843,451.68 | 410,749,362.62 | 3.43% |
| Net profit net of non-recurring gains and losses attributable to shareholders of the listed company (RMB) | 422,451,942.72 | 409,998,628.24 | 3.04% |
| Net cash flows from operating activities (RMB) | 528,137,435.41 | 270,551,262.13 | 95.21% |
| EPS-basic (RMB/share) | 0.78 | 0.79 | -1.27% |
| EPS-diluted (RMB/share) | 0.78 | 0.79 | -1.27% |
| Weighted average ROE | 5.03% | 6.21% | -1.18% |
| | End of the Reporting Period | End of the previous year | Increase/decrease from the end of the previous year |
| Total assets (RMB) | 13,266,138,639.71 | 12,626,923,751.10 | 5.06% |
| Net assets attributable to shareholders of the listed company (RMB) | 8,327,754,668.24 | 8,246,447,181.72 | 0.99% |

V. Accounting Data Differences under PRC GAAP and Those under IFRSs

1. Differences between disclosed net profits and net assets in the financial statement in accordance with the International Accounting Standards (IAS) and the China Accounting Standards (CAS)

Applicable Not applicable

There was no difference between disclosed net profits and net assets in the financial statement in accordance with the IAS and the CAS during the Reporting Period.

2. Differences between disclosed net profits and net assets in the financial statement in accordance with overseas accounting standards and the CAS

Applicable Not applicable

There was no difference between disclosed net profits and net assets in the financial statement in accordance with overseas accounting standards and the CAS during the Reporting Period.

VI. Non-recurring Gains and Losses

Applicable Not applicable

Unit: RMB

| Item | Amount | Note |
|--|---------------|------|
| Gains and losses on disposal of non-current assets (inclusive of impairment allowance write-offs) | 1,930,988.66 | |
| Government grants recorded in the current profit or loss (except for those acquired in the ordinary course of the Company's business, in line with national policies and regulations, enjoyed according to defined standards or imposing continuous impacts) | 11,724,025.64 | |

| | | |
|---|----------------|--|
| on the Company's gains and losses) | | |
| Gains and losses on changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains and losses on disposal of financial assets and financial liabilities (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business) | -12,751,241.12 | |
| Gains and losses on entrusting others with investments or asset management | 47,224.90 | |
| Other non-operating income and expenses other than the above | 3,127,995.41 | |
| Less: Income tax effects | 386,463.05 | |
| Minority shareholders' equity impacts (after tax) | 1,301,021.48 | |
| Total | 2,391,508.96 | |

Details of other gains and losses in line with the definition of non-recurring gains and losses:

Applicable Not applicable

There are no other gains and losses in line with the definition of non-recurring gains and losses in the Company.

Note to defining non-recurring gains and losses listed= gain e

Section III Management Discussion and Analysis

I. Principal Business of the C

chips and better support the R&D and application of automotive chips. The Guidelines make clear that a standard system is to be established and refined, step by step, in view of the status quo of automotive chip technologies, industrial application demands and future development trends, and that more efforts should be exerted in the formulation of urgently-needed standards for fundamental, common and critical products, followed by the formulation of standards for product application and matching tests according to technology readiness levels. By 2025, there should be at least 30 key standards for automotive chips to specify fundamental requirements for the environment, reliability, electromagnetic capability, functional safety and information security. By 2030, there should be at least 70 standards for automotive chips to further refine the universal requirements for basic and general product and technology application and matching tests, so as to effectively support forward-looking and syncretic R&D of automotive chip technologies and products. In January 2024, the Ministry of Industry and Information Technology and other six government departments issued the *Implementation Opinions on Promoting the Innovative Development of Industries of the Future*, proposing to focus on high-potential future industries such as anthropomorphic robots, high-level intelligent connected vehicles and meta-universe portal amid the global trend of scientific and technological innovation and industrial development, and further construct industrial infrastructure renovation projects to make up for the weaknesses in basic components, basic parts, basic materials, basic processes and basic software and consolidate the development foundation for future industries.

2. The industry position of the Company

Based on the forward-looking market layout, continuous technological innovation, high-quality product design, scientific cost optimization, trustworthy quality management and the capability of fast delivery, the Company has become one of the several domestic enterprises above the designated size that integrates the full industry-chain processes including the manufacturing of single-crystal silicon wafers, chip design and manufacturing, device design, packaging and testing, and terminal sales and services. Meanwhile, the Company adopts the mode of "IDM + Fabless" in high-end fields such as MOSFET, IGBTs and the third-generation semiconductors. The Company has occupied a leading position and a high share in a number of emerging market segments. Especially, it is leading in rectifier bridges and PV diodes globally. Based on the general performance of the Company (aspects such as sales, technological strength and the share of the semiconductor market have been

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in industrial, PV energy storage, new energy vehicle and AI sectors, seeing a year-on-year increase

12-inch platforms based on Fabless mode and the development of 1200V/35A-200A, 950V/200A and

Throughout the year, the Company has increased R&D investment in SGT MOSFETs and accelerated iterations across voltage platforms, improving the switching and conducting features of devices while reducing their specific on-resistance (R_{sp}) and gate charge (Q_g). The area specific on-resistance of the new generation N30V/N40V/N60V/N100V/N150 devices has been improved by more than 50% compared to the previous generation, and the performance of N40V reaches the world-class level. The area specific on-resistance of P100V has been improved by more than 50% compared to the previous generation, and its performance is ahead of the world-class level. For clean energy, portable energy storage, and high-end power supply applications, the lat

the Company continuously deepened the implementation of the activities of "zero defect management", "strict control of input and output quality", and "digital management, intelligent production, professional personnel and stable personnel in key positions", to identify defects in quality management and build a quality management and control system. We mitigated potential risks of products in multiple dimensions and drove high-quality development, by cultivating a professional team that makes good use of engineering quality tools and is capable of comprehensive quality management, creating channels for quality information communication and data sharing, and tracking customers' use of products.

b) The Company worked hard on operation and management and continued to drive all manufacturing centers to implement sophisticated operations. During the Reporting Period, based on market supply status, the Company shortened optimized production strategies and upgraded them into MPS/MTS/ATO via scientific approaches, shortened the production cycle by MTS/MPS, responded to customer demands by upgrading MPS, and made customers more satisfied with delivery. With the objective of "cost priority", the Company actively planned the lean operation activities to optimize costs, lowering costs from a variety of dimensions such as R&D innovation, lean value stream improvement and process optimization to promote efficiency improvement, cost reduction and project renovation on all fronts and foster the competitive edge of continuous cost lowering.

c) The Company built a lean operation system and promoted "Week of Improvement" activities of lean operation. Through logistical optimization, OEE improvement and the introduction of on-site Kanban and quick problem solving methods, the Company deepened the lean management system with Yangjie characteristics. During the Reporting Period, the Company recorded a year-on-year increase of 11% in its direct labor efficiency, a year-on-year increase of 5.8% in comprehensive utilization of equipment, and total cost reduction of more than RMB180 million in standard costs and failure costs.

s during the Reporting Period

During the Reporting Period, amid a modest recovery of the semiconductor industry, the Company's operating income, the net profit attributable to shareholders of the listed company, and the net profit after the deduction of non-recurring gains and losses rose compared with the same period of the previous year, and the main reasons are as follows:

(1) During the Reporting Period, the semiconductor industry recovered modestly, and the demands from downstream application sectors picked up. In response to market demands, the Company continued to optimize its downstream structure and product structure, and actively expand markets and customers at home and abroad. In the first half of 2024, it recorded operating revenue of RMB2,865 million, up 9.16% year on year.

(2) The Company adheres to the global development strategy. In the second quarter of 2024, the destocking stage in the overseas market ended and overseas customers were more likely to purchase products from the Company, leading to a quarter-on-quarter increase in the sales revenue from overseas business and an improvement of the Company's gross margin level.

(3) The Company upholds cost-oriented and value innovation strategies and keeps reducing costs, enhancing efficiency, and developing new products, which has achieved significant effects and driven the Company's product margin to rise steadily since the second quarter.

(1) Advanced R&D technology platform

Through cooperation with well-known universities and research institutes in the industry, the Company has integrated the R&D teams of each business division, established a corporate R&D center, and officially set up its Central Research Institute. During the Reporting Period, the Company had the SiC R&D team, the GaN R&D team, the IGBT R&D team, the MOSFET R&D team, the diode and transistor chip R&D team, the Clip packaging R&D team, the WB packaging R&D team, the 8-inch wafer Changsha R&D team, the IGBT Japan R&D team, the MOSFET Taiwan R&D team, and the monocrystalline silicon Chengdu R&D team. It has established a simulation platform covering chip, packaging and application, improved the testing center for product parameters, and improved the construction of new energy and automotive electronic application platform. It formed a complete R&D and technical service system from wafer design and R&D to packaging product R&D, from silicon-based to third-generation semiconductor R&D, and from pre-sales technical support to after-sales technical services, which provided strong support for the Company's new product development, technical bottleneck breakthrough, and market expansion.

The “Yangjie-Southeast University Joint R&D Center of Broad Forbidden Band Semiconductors” jointly built by the Company and the School of Integrated Circuits, Southeast University, focuses on the R&D and industrialization of the third-generation semiconductors such as silicon carbide semiconductors. The Company has built an R&D center laboratory in line with the domestic standards for first-class electronic laboratory, with a construction area of 5,000 square meters. It covers reliability laboratory, fault analysis laboratory, simulation laboratory and comprehensive R&D laboratory, and has successfully been certified by the China National Accreditation Service for Conformity Assessment (CNAS). The Company has established and improved a one-stop product experimental application platform that can meet various needs such as chip design simulation, environmental testing, physical and chemical fault analysis, and product electrical, thermal and mechanical stress simulation; the laboratory is equipped with advanced R&D and testing equipment competent for SiC, IGBT, MOSFET, power module, diode, BJT, and other series of products, which provides all-round and multi-platform technical support.

for young and excellent R&D talents to stand out and play their pivotal roles. By optimizing the PLM process, it improved the density of R&D talents and consolidated its technical foundation. For SCAR (Supply Corrective Action Report) and bottlenecks in the whole process of R&D projects, the Company investigated and filled leaks to improve R&D efficiency. The R&D Project Management Department will continue to refine project initiation and review of product lines, standardize project operation, and improve the success rate of market orientation of R&D projects to make the Company's products more competitive.

(3) Continuously enriched R&D patents

Patents are the key to an enterprise's development. In recent years, the Company has continuously stepped up its investment in the R&D of patented technologies, enriched the patent reserve of core technologies, and laid a solid foundation for its advantageous

| | | | | |
|--|-----------------|------------------|---------|--|
| | | | | services during the Reporting Period. |
| Net cash generated from/used in investing activities | -371,995,595.84 | -237,495,727.67 | -56.63% | Mainly due to the decrease in WM products recovered during the Reporting Period. |
| Net cash generated from/used in financing activities | 139,911,182.25 | 1,631,443,874.87 | -91.42% | Mainly due to the Company's issuance of overseas Global Depository Receipts (GDR) in the same period of the previous year. |
| Net increase in cash and cash equivalents | 312,761,336.79 | 1,756,356,591.02 | -82.19% | Mainly due to the Company's issuance of overseas Global Depository Receipts (GDR) in the same period of the previous year. |

The Company's profit structure or source of profit underwent material changes during the Reporting Period.

Applicable Not applicable

The Company's profit structure or source of profit underwent no material changes during the Reporting Period.

Products or services accounting for more than 10%

Applicable Not applicable

Unit: RMB

| Operating Revenue | Operating Cost | Gross Profit Mar |
|-------------------|----------------|------------------|
|-------------------|----------------|------------------|

| | | | | | | |
|---|------------------|--------|------------------|--------|--------|--|
| | | | | | | the Company's quality guarantee deposits receivable at the end of the Reporting Period. |
| Inventories | 1,120,458,983.61 | 8.45% | 1,145,317,621.74 | 9.07% | -0.62% | No significant changes. |
| Investment property | | | | | | No significant changes. |
| Long-term equity investments | 62,408,373.42 | 0.47% | 62,372,039.75 | 0.49% | -0.02% | No significant changes. |
| Mainly due to Fixed assets of the Company's | 3,329,179,726.74 | 25.10% | 3,480,422,021.32 | 27.56% | -2.46% | No significant changes. |
| Construction in progress | 1,268,412,974.50 | 9.56% | 720,260,135.67 | 5.70% | 3.86% | Mainly due to the increase in Jiechuwei's investment in the 8-inch wafer project. |
| Right-of-use assets | 105,441,904.78 | 0.79% | 117,816,524.02 | 0.93% | -0.14% | No significant changes. |
| Short-term borrowings | 1,078,994,805.81 | 8.13% | 553,968,908.45 | 4.39% | 3.74% | Mainly due to the Company's increase in banking facilities with a term shorter than one year. |
| Contract liabilities | 29,286,072.55 | 0.22% | 35,088,567.84 | 0.28% | -0.06% | No significant changes. |
| Long-term borrowings | 490,717,278.15 | 3.70% | 395,095,778.15 | 3.13% | 0.57% | No significant changes. |
| Lease liabilities | 85,059,992.41 | 0.64% | 101,217,303.95 | 0.80% | -0.16% | No significant changes. |
| Notes receivable | 17,834,919.97 | 0.13% | 12,863,153.42 | 0.10% | 0.03% | Mainly due to the increase in commercial acceptance notes held by the Company during the Reporting Period. |

| | | | | | | |
|-------------------------------|----------------|-------|----------------|-------|--------|---|
| | | | | | | import customs declaration and guarantee deposits during the Reporting Period. |
| Other current assets | 73,627,953.88 | 0.56% | 33,323,514.88 | 0.26% | 0.30% | Mainly due to the increase in the Company's taxes to be credited. |
| Other non-current assets | 194,291,739.02 | 1.46% | 380,445,695.65 | 3.01% | -1.55% | Mainly due to the increase in the contract payment for engineering equipment in advance by the Company during the Reporting Period. Mainly due to the decrease in the capacity deposit prepaid by the Company during the Reporting Period. |
| Taxes and levies payable | 55,265,562.06 | 0.42% | 27,147,354.55 | 0.21% | 0.21% | Mainly due to the increase in the income taxes payable by the Company at the end of the Reporting Period. |
| Other current liabilities | 1,007,326.93 | 0.01% | 3,594,982.83 | 0.03% | -0.02% | Mainly due to the decrease in the Company's taxes to be charged off during the Reporting Period. |
| Other non-current liabilities | 181,065,625.00 | 1.36% | 319,316,563.00 | 2.53% | -1.17% | Mainly due to the decrease in the capacity deposit pre-collected by the Company during the Reporting Period. |

2. Principle overseas assets

Applicable Not applicable

3. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

| Item | Opening Balance | Gains and Losses from Changes in Fair Value in the Reporting Period | Accumulative Fair Value Changes Included in Equity | Impairments Accrued in the Reporting Period | Purchase Amount in the Reporting Period | Selling Amount in the Reporting Period | Other Changes | Closing Balance |
|---|-----------------|---|--|---|---|--|-------------------|-----------------|
| Financial assets | | | | | | | | |
| 1. Transactional financial assets (excluding derivative financial assets) | 41,785,067.71 | -1,382,511.64 | | | 10,000,000.00 | 20,000,000.00 | 172,074.38 | 30,574,630.45 |
| 5. Other non-current financial assets | 649,575,265.88 | -11,368,729.48 | | | 50,000,000.00 | | | 688,206,536.40 |
| Sub-total of financial assets | 691,360,333.59 | -12,751,241.12 | | | 60,000,000.00 | 20,000,000.00 | 172,074.38 | 718,781,166.85 |
| Receivables financing | 217,717,753.23 | | | | 1,606,369,416.18 | | -1,656,572,552.45 | 167,514,616.96 |
| Total of the above items | 909,078,086.82 | -12,751,241.12 | 0.00 | 0.00 | 1,666,369,416.18 | 20,000,000.00 | -1,656,400,478.07 | 886,295,783.81 |
| Financial liabilities | 0.00 | | | | | | | 0.00 |

Other changes

None

Did the measurement attributes of the Company's principal assets undergo material changes in the Reporting Period?

Yes No

4. Restricted asset rights as at the end of the Reporting Period

| Item | The Carrying Balance at the End of the Reporting Period (RMB) | The Carrying Amount at the End of the Reporting Period (RMB) | Type of Restriction | Reason for Restriction |
|-------------------|---|--|---------------------|--|
| Monetary assets | 6,567,011.77 | 6,567,011.77 | Frozen | Compensation frozen for litigation reasons |
| Fixed assets | 254,639,039.52 | 166,423,666.44 | Pledge | Pledge for borrowings |
| Intangible assets | 46,780,954.11 | 40,491,633.43 | Pledge | Pledge for borrowings |
| Monetary capital | 1,822,604.61 | 1,822,604.61 | Deposits | Deposits for letters of credit |
| Total | 309,809,610.01 | 215,304,916.25 | | |

VI. Analysis of Investment

1. Overall status

Applicable Not applicable

| Investment Amount in the Reporting Period (RMB) | Investment Amount in the Same Period of the Previous Year (RMB) | |
|---|---|--|
|---|---|--|

| Projects and Investment of Excessive Raised Funds | have been Altered (Including Partial Alternation) | Raised | Investment with Raised Funds | Investment Amount (1) | during the Reporting Period | Amount by the End of the Reporting Period (2) | at the End of the Reporting Period (3) | Projects |
|---|---|--------|------------------------------|-----------------------|-----------------------------|---|--|----------|
| | | | | | | | = (2)/(1) | |

| | |
|--|--|
| projects | |
| Adjustment to the method for implementing the raised fund investment projects | N/A |
| Early investment and replacement of the raised fund investment projects | N/A |
| Temporary replenishment of liquid capital with the idle raised funds | N/A |
| Amount of the closing balance of the raised funds during the project implementation as well as reasons | N/A |
| Use and ownership change of unused raised funds | The Company temporarily placed USD124.5 million of the raised funds in a time deposit account under the account designated for raised funds, and the remaining balance of USD34,479,000 of the raised funds in the account designated for raised funds. |
| Problems in the use and disclosure of raised funds, or other cases | In accordance with the requirements of local regulatory authorities, the funds raised by the Company must first be transferred domestically before undergoing an approval process for outbound remittance. This procedure ensures that the project's progress is not affected. The Company's fundraising projects are focused on developing power components for the business, including the construction of projects for packaging small signal products, silicon-based and silicon carbide SBD, MOSFETs, and other products. Additionally, the projects involve establishing overseas research and development centers and |

Applicable Not applicable

The principal is expected to be unrecoverable or other circumstances that may lead to impairment in trust financial management

Applicable Not applicable

(2) Investment in derivatives

Applicable Not applicable

The Company did not invest in derivatives during the Reporting Period.

(3) Entrusted loans

Applicable Not applicable

The Company had no entrusted loans during the Reporting Period.

VII. Sale of Material Assets and Equities

1. Sale of material assets

Applicable Not applicable

The Company did not sell material assets during the Reporting Period.

2. Sale of material equities

Applicable Not applicable

VIII. Analysis of Major Subsidiaries and Investees

Applicable Not applicable

The Company had no important information about the companies controlled or invested in by the Company that should be disclosed during the Reporting Period.

IX. Structured Entities Controlled by the Company

Applicable Not applicable

X. Risks Facing the Company and Countermeasures

For details, see Major Risk Alerts in "Section I Important Notice, Table of Contents and Definitions".

XI. Registration Form for Activities during the Reporting Period, including Surveys, Communication, and Interviews

Applicable Not applicable

| Reception Time | Reception Place | Reception Method | Type of Received Visitor | Received Visitors | Main topics Discussed and Information Provided | Index to Main Inquiry Information |
|----------------|--------------------------------|-------------------------|--------------------------|---|--|-----------------------------------|
| April 22, 2024 | Conference room of the Company | Telephone communication | Institutions | 240 institutional investors including Dongxing Securities and HSBC Jintrust | Exchange of the | |

| | | | | | | |
|--------------|---|-------------------------------|--------|---------------|---|---|
| | | | | | | 20240425 (No. 2024-001) disclosed on April 25, 2024. |
| May 15, 2024 | The online interaction platform, Value Online (http://www.ir-online.cn/) | Online platform communication | Others | To the public | Exchange of the Company's results in 2023 | For details, please refer to the <i>Information of Yangjie Technology on Investor Relations Management 20240516</i> (No. 2024-002) disclosed on May 16, 2024. |

deducting the shares repurchased in the repurchase account as at August 21, 2024, and distributed cash dividends of RMB140,607,163.32 (tax-inclusive) in total. As at the end of the Reporting Period, the Company, through centralized bidding, repurchased 2,551,005 shares of itself in total, accounting for 0.4698% of its total share capital at that time, at a transaction price of RMB37.00 per share the highest and RMB33.60 per share the lowest and a total price of RMB90,528,153.80.

Section IV Corporate Governance

I. Information on the Annual Shareholders' Meeting and the Extr

*of Procedure of the
Board of
Supervisors, the
Proposal on
Amending the
Working System for
Independent
Directors and the
Proposal on
Formulating the
Implementation
Rules for Special
Meetings of
Independent
Directors, were
deliberated and*

| | |
|---|--|
| ways) to the total profit distribution amount | |
| The current cash dividend distribution | |
| (2) If the Company is in the phase of development difficult to distinguish and there are arrangements for major capital expenditures, cash dividends shall account for at least 20% in the profit distribution; | |
| Detailed note on the plan for profit distribution or the conversion of capital provident fund into the share capital | |

The Company distributed a cash dividend of RMB2.60 (tax-inclusive) per 10 shares to all shareholders, based on the adjusted total share capital of 540,796,782 shares after deducting the shares repurchased in the repurchase account as at August 21, 2024, and distribute4

3. Other employee incentive measures

Applicable Not applicable

Section V Environmental and Social Responsibility

I. Material Environmental Issues

| | | | | | | | | | | |
|--|-------------|--|--|---|-----------------------------------|--|--|---|--|------|
| | | total copper, and total tin | wastewater was discharged into the municipal pipe network, which would be taken over by the Beishan wastewater treatment plant. | | | Total phosphorus: 0.06mg/L Phenol: 0mg/L Petroleum: 0.07mg/L Total copper: 0.015mg/L Total tin: 0mg/L | Total phosphorus: 8mg/L Phenol: 1mg/L Petroleum: 15mg/L Total copper: 2mg/L Total tin: 5mg/L | nitrogen: 0.003t Total phosphorus: 0.001t Phenol: 0t Petroleum: 0.001t Total copper: 0.0003t Total tin: 0t | 0.048t Total phosphorus: 0.006t Phenol: 0.0033t Petroleum: 0.004t Total copper: 0.008t Total tin: 0.007t | |
| North Gaoshu Road Factory of Yangjie Technology | Exhaust gas | Non-methane total hydrocarbons, sulfuric acid mist, nitrogen oxides | Emitted from the exhaust pipe after treatment by lye spraying tower | 2 | Roof of the production department | Sulfuric acid mist: 0.27mg/m ³ Non-methane total hydrocarbon: 1.14mg/m ³ Nitrogen oxides: 2.6mg/m ³ | Sulfuric acid mist: 30mg/m ³ Non-methane total hydrocarbon: 60mg/m ³ Nitrogen oxides: 200mg/m | Non-methane total hydrocarbon: 0.075t Sulfuric acid mist: 0.011t Nitrogen oxides: 0.087t | Non-methane total hydrocarbons: 0.665t Sulfuric acid mist: 0.249t Nitrogen oxides: 0.104t | None |
| Microelectronics Industrial Park Factory of Yangjie Technology | Wastewater | COD, SS, total nitrogen, ammonia nitrogen, total phosphorus, animal and vegetable oil, total copper, and total tin | After treatment with wastewater treatment devices, the wastewater was discharged into the municipal pipe network, which would be taken over by the Beishan wastewater treatment plant. | 1 | General wastewater outlet | COD: 27.9mg/L SS: 22mg/L Total nitrogen: 30.7mg/L Ammonia nitrogen: 4.6mg/L Total phosphorus: 0.13mg/L Animal and vegetable oil: 1.08mg/L Total copper: 0.04mg/L Total tin: 0mg/L | COD: 300mg/L SS: 250mg/L Total nitrogen: 35mg/L Ammonia nitrogen: 20mg/L Total phosphorus: 3mg/L Total phosphorus: 100mg/L Total copper: 0.3mg/L Total tin: 5mg/L | COD: 2.41t SS: 1.9t Total nitrogen: 2.65t Ammonia nitrogen: 0.397t Total phosphorus: 0.01t Animal and vegetable oil: 0.093t Total copper: 0.003t Total tin: 0t | COD: 29.184t SS: 5.839t Total nitrogen: 5.511t Ammonia nitrogen: 2.918t Total phosphorus: 0.143t Animal and vegetable oil: 0.584t Total copper: 0.008t Total tin: 0.0101t | No |
| Microelectronics Industrial Park Factory of Yangjie Technology | Exhaust gas | NMHC | Emitted from the exhaust pipe after treatment by level-2 spraying tower | 2 | Roof of the production department | Non-methane total hydrocarbon: 1.48mg/m ³ | Non-methane total hydrocarbons: 50mg/m ³ | Non-methane total hydrocarbons: 0.222t | Non-methane total hydrocarbon: 0.5036t | No |

Pollutant treatment

The Company's environmental protection facilities were designed, constructed and accepted simultaneously as the construction project, and put into use after acceptance in accordance with the

that the standards for exhaust gas emission were complied with. Hazardous wastes were entrusted to qualified third-party institutions for disposal.

Environmental Self-monitoring Plan

The Company carried out self-testing and supervised monitoring, and entrusted third parties with testing, respectively. In testing cycles, testing was in strict accordance with the emission permit and local environmental protection regulations for pollutant factors.

Contingency plans for environmental emergencies

Each of the Company's plants has prepared emergency plans for environmental emergencies, which were filed with the local environmental protection authority. Emergency drills for environmental emergencies were conducted on a regular basis every year.

Input in environmental management and protection and the payment of environmental protection-related taxes

The Company conforms to China's laws and regulations related to environmental protection and pollution control. It paid the environmental protection tax in full on time for the first half of 2024.

Administrative Penalties Imposed for Environmental Issues during the Reporting Period

| Name of the Company or Subsidiary | Penalty Reason | Violation Situation | Penalty Result | Impact on the Production and Operation of the Listed Companies | Remediation Measures by the Company |
|-----------------------------------|----------------|---------------------|----------------|--|-------------------------------------|
| N/A | N/A | N/A | N/A | N/A | N/A |

Other environmental information to be disclosed

Not applicable

Measures taken to reduce carbon emissions during the Reporting Period and their effectiveness

Applicable Not applicable

1. The two 7.5kW stirring motors used in the wastewater flocculation tank were replaced with aerated stirring using compressed air to reduce electricity consumption. The daily consumption of compressed air was 120m³, and only two air pipes could meet requirements, saving electricity of 47,000kWh and reducing carbon emissions of 30.19TCO₂e in six months.

2. The two 11kW water ring vacuum pumps for power equipment, without variable frequency function and at full service every day at daily electricity consumption of 264kWh, were replaced with the idle high-efficiency spiral vacuum pumps introduced from the frame bridge, reducing daily electricity consumption by 50% and saving electricity of about 23,750kWh and reducing carbon emissions of 15.35TCO₂e in six months.

3. Electric heating was transformed into air heating. The former electroplating water tank heated by electric heating rods consumed electricity of about 135,000 kWh every month. Replacing it with air heating could improve heating efficiency by 3 times and save electricity of about 67,500kWh of electricity and reduce carbon emissions of about 43.5TCO₂e in six months.

Other information related to environmental protection

1. The Company engaged a third-party institution to verify its greenhouse gas emissions in 2023 according to ISO 14064-1:2018 and ISO 14064-3:2019. Yangjie Technology obtained the

Greenhouse Gas Verification Statement on June 30, 2024, and a subsidiary obtained the *Organization Greenhouse Gas List Verification Report*.

2. The Company engaged a third-party institution to accredit products' carbon footprint in accordance with the requirements of ISO 14067:2018 and other relevant standards. Yangjie Technology's diode products obtained the *Product Carbon Footprint Verification Statement* on July 8, 2024, and its subsidiary's diode products obtained the *Product LCA Analysis Report* on July 19, 2024.

II. Social Responsibility

Not applicable

Section VI Significant Events

I. Commitments of the Company's de facto Controllers, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Entities Fulfilled in the Reporting Period or Ongoing at the End of the Reporting Period

Applicable Not applicable

During the Reporting period, the Company did not have commitments of its de facto controllers, shareholders, related parties and acquirers, as well as the Company itself and other entities fulfilled in the Reporting Period or ongoing at the end of the Reporting Period.

II. Information on the Company's Funds Misappropriated by Controlling Shareholders and Other Related Parties

Applicable Not applicable

The Company did not have appropriation of funds by the controlling shareholder and other related parties for non-operating purposes during the Reporting Period.

III. Illegal External Guarantee

Applicable Not applicable

The Company had no illegal external guarantee during the Reporting Period.

IV. Engagement and Disengagement of Accounting Firms

The semi-annual financial statement audited or not

Yes No

The semi-annual financial statement of the Company was unaudited.

V. Notes by the Board of Directors and the Board of Supervisors on the "Non-standard Audit Report" Issued by the Accounting Firm for the Reporting Period

Applicable Not applicable

VI. Notes by the Board of Directors on the "Non-standard Audit Report" of the Previous Year

Applicable Not applicable

VII. Matters Related to Bankruptcy Reorganization

Applicable Not applicable

There were no matters related to bankruptcy reorganization in the Company during the Reporting Period.

VIII. Litigation

Material litigation and arbitration

Applicable Not applicable

The Company had no material litigation and arbitration during the Reporting Period.

Other litigation

Applicable Not applicable

IX. Punishment and Remediation

Applicable Not applicable

The Company had no punishment or remediation during the Reporting Period.

X. Credit Standing of the Company as well as Its Controlling Shareholders and de facto Controllers

Applicable Not applicable

XI. Material Related-party Transactions

1. Related-party transactions relevant to the Company's day-to-day management

Applicable Not applicable

The Company had no related-party transactions relevant to day-to-day management during the Reporting Period.

2. Related-party transactions of acquisition and sales of assets and equity

Applicable Not applicable

The Company had no related-party transactions of acquisition and sales of assets and equity during the Reporting Period.

3. Related-party transactions of joint external investment

Applicable Not applicable

The Company had no related-party transaction of joint external investment during the Reporting Period.

4. Credits and liabilities with related parties

Applicable Not applicable

The Company had no credits and liabilities with related parties during the Reporting Period.

5. Business with related financial companies

Applicable Not applicable

There were no deposits, loans, credit, or other financial business between the Company and the related financial companies, the shareholding financial companies, as well as related parties.

6. Business between financial companies controlled by the Company and related parties

Applicable Not applicable

There were no deposits, loans, credit, or other financial business between financial companies controlled by the Company and related parties.

7. Other material related-party transactions

Applicable Not applicable

The Company had no other material related-party transactions during the Reporting Period.

XII. Material Contracts and the Performance

1. Information on trusteeship, contracting, and leasing matters

2. For business development, Hangzhou E-Giant Semiconductor Technology Co., Ltd. held a shareholders' meeting on April 2, 2024, and decided to change its premise from Room 2706, Yintai International Business Center, 1600 Science Museum Street, Changhe Sub-district, Binjiang District, Hangzhou, to Room 2706-B, Yintai International Business Center, 1600 Science Museum Street, Changhe Sub-district, Binjiang District, Hangzhou City, Zhejiang Province, and it completed the registration of the change with the industrial and commercial administration on April 11, 2024.

c T t e c P r s t # r i

| | | | | | | | | | |
|--|-------------|--------|-----------|---|---|--------|-----------|-------------|--------|
| II. Shares not Subject to Selling Restrictions | 540,396,235 | 99.81% | 1,476,200 | 0 | 0 | 21,000 | 1,497,200 | 541,893,435 | 99.79% |
| 1. RMB ordinary shares | 540,396,235 | 99.81% | 1,476,200 | 0 | 0 | 21,000 | 1,497,200 | 541,893,435 | 99.79% |
| 2. Domestically listed foreign-invested shares | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 3. Overseas listed foreign-invested shares | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 4. Others | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| III. Total Shares | | | | | | | | | |

Applicable Not applicable

Other matters to be disclosed either as deemed necessary by the Company or as required by the securities regulatory authorities

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

Unit: Shares

| Name of Shareholder | Number of Restricted Shares at the Beginning of the Reporting Period | Number of Shares Lifted from Restrictions in the Reporting Period | Number of New Restricted Shares in the Reporting Period | Number of Restricted Shares at the End of the Reporting Period | Reasons for Restriction on Sales | Date of Being Lifted from Restriction |
|---------------------|--|---|---|--|---|---------------------------------------|
| Liu Congning | 284,860.00 | 0 | 15,000.00 | 299,860.00 | The Company completed the vesting registration of the second category of restricted shares during the second vesting period of the Phase III restricted share incentives, and new restricted shares for senior management were added. | - |
| Liang Yao | 285,469.00 | 0 | 11,250.00 | 296,719.00 | The Company completed the vesting registration of the second category of restricted shares during the second vesting period of the Phase III restricted share incentives, and new restricted shares for senior management were added. | - |
| Chen Runsheng | 173,002.00 | 0 | 18,750.00 | 191,752.00 | The Company completed the vesting registration of the second category of restricted shares during the second vesting period | - |

| | | | | | | | |
|-------------|------------|---|-----------|------------|--|---|---|
| | | | | | | of the Phase III restricted share incentives, and new restricted shares for senior management were added. | |
| Xu Xiaobing | 74,377.00 | 0 | 15,000.00 | 89,377.00 | | The Company completed the vesting registration of the second category of restricted shares during the second vesting period of the Phase III restricted share incentives, and new restricted shares for senior management were added. | - |
| Dai Juan | 201,094.00 | 0 | 11,250.00 | 212,344.00 | | The Company completed the vesting registration of the second category of restricted shares during the second vesting period of the Phase III restricted share incentives, and new restricted shares for senior management were added. | - |
| Shen Ying | 8,250.00 | 0 | 8,250.00 | 16,500.00 | | The Company completed the vesting registration of the second category of restricted shares during the second vesting period of the Phase III restricted share incentives, and new restricted shares for senior management were added. | - |
| Fan Fengbin | 7,500.00 | 0 | 7,500.00 | 15,000.00 | | The Company completed the vesting | - |

registration of
the second
category of

| | | | | | | | | |
|--|--|-------|--------------|---------------|---|--------------|----------------|---|
| Fund | | | | | | | | |
| Industrial and Commercial Bank of China Limited - E Fund Growth Enterprise Market (GEM) Exchange Traded Fund (ETF) | Others | 1.02% | 5,539,742.00 | 1,729,280.00 | 0 | 5,539,742.00 | N/A | 0 |
| Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund | Others | 0.81% | 4,382,493.00 | -960,551.00 | 0 | 4,382,493.00 | N/A | 0 |
| Wang Yan | Domestic natural person | 0.69% | 3,766,000.00 | 0.00 | 0 | 3,766,000.00 | N/A | 0 |
| National Social Security Fund Portfolio 114 | Others | 0.68% | 3,702,000.00 | 2,576,100.00 | 0 | 3,702,000.00 | N/A | 0 |
| Agricultural Bank of China Limited - CSI 500 Exchange Traded Fund (ETF) | Others | 0.68% | 3,688,859.00 | 1,953,895.00 | 0 | 3,688,859.00 | N/A | 0 |
| Bank of China Limited - Guotai CES Semiconductor Chip Industry Exchange Traded Fund (ETF) | Others | 0.55% | 3,001,231.00 | -1,027,800.00 | 0 | 3,001,231.00 | N/A | 0 |
| A strategic investor or ordinary legal person becomes the top 10 shareholders due to rights issue (if any) (see Note 3) | N/A | | | | | | | |
| Explanation on connected relationship or concerted action of the aforesaid shareholders | <p>1. Ms. Liang Qin is the de facto controller of both Jiangsu Yangjie Investment Co., Ltd. and Jianshui County Jiejie Enterprise Management Co., Ltd., and is a person acting in concert;</p> <p>2. Ms. Wang Yan is the sister of Ms. Liang Qin's spouse;</p> <p>3. Apart from the above, the Company is not aware of any connected relationship among other shareholders or whether they are parties acting in concert as stipulated in the <i>Administrative Measures on Acquisition of Listed Companies</i>.</p> | | | | | | | |
| Description of the above shareholders involved in proxy/trustee voting rights and waiver of voting rights | Not applicable | | | | | | | |
| Special explanation on whether the top 10 shareholders have special accounts of repurchase (see Note 11) | Not applicable | | | | | | | |
| Shareholdings of the Top 10 Ordinary Shareholders not Subject to Trading Moratorium (Excluding Shares Lent through Refinancing and Locked Shares of Senior Management) | | | | | | | | |
| Name of Shareholder | Number of Shares not Subject to Selling Restrictions Held at the End of the | | | | | | Type of Shares | |

| | | capital | | capital | | capital | | capital |
|--|--------------|---------|------------|---------|--------------|---------|------------|---------|
| Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund | 5,343,044.00 | 0.98% | 173,800.00 | 0.03% | 4,382,493.00 | 0.81% | 150,700.00 | 0 |

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gz £

ou Yangjie Electronic Technology Co., Ltd.

d Senior Management Officers

Section VIII Relevant Information about Preferred Shares

Applicable Not applicable

During the Reporting Period, the Company has no preferred shares.

Section IX Relevant Information about Bonds

Applicable Not applicable

Section X Financial Statements

I. Auditor's Report

Has the semi-annual report been audited?

Yes No

The Company's semi-annual financial statements has not been audited.

II. Financial Statement

The unit in the notes to the financial statement is RMB.

1. Consolidated balance sheet

Prepared by: Yangzhou Yangjie Electronic Technology Co., Ltd.

June 30, 2024

Unit: RMB

| Item |
|------|
|------|

| | | |
|-------------------------------------|-------------------|------------------|
| Long-term receivables | | |
| Long-term equity investments | 62,408,373.42 | 62,372,039.75 |
| Other equity instrument investments | | |
| | | |
| Fixed assets | 3,329,179,726.74 | 3,480,422,021.32 |
| Construction in progress | 1,268,412,974.50 | 720,260,135.67 |
| Productive biological assets | | |
| Oil & gas assets | | |
| Right-of-use assets | 105,441,904.78 | 117,816,524.02 |
| Intangible assets | 203,948,585.63 | 211,533,873.67 |
| Including: Data resources | | |
| | | |
| Including: Data resources | | |
| Goodwill | 313,851,069.78 | 313,851,069.78 |
| Long-term prepayments | 110,725,383.72 | 117,867,540.00 |
| Deferred tax assets | 16,374,908.77 | 14,231,497.36 |
| | | |
| | | |
| Total assets | 13,266,138,639.71 | 12,626,923 % k |
| | | |

| | | |
|-------------------------------------|------------------|------------------|
| year | | |
| Other current liabilities | 1,007,326.93 | 3,594,982.83 |
| Total current liabilities | 3,347,009,197.66 | 2,707,606,263.59 |
| Non-current liabilities: | | |
| Insurance policy reserve | | |
| Long-term borrowings | 490,717,278.15 | 395,095,778.15 |
| Bonds payable | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 85,059,992.41 | 101,217,303.95 |
| Long-term payables | | |
| Long-term employee benefits payable | | |
| Provisions | | |
| Deferred income | 169,117,377.68 | 184,130,467.60 |
| Deferred tax liabilities | 241,513,505.86 | 232,867,475.88 |
| Other non-current liability | | |

| | | |
|------------------|---------------|--------------|
| Notes receivable | 10,014,623.97 | 9,055,604.71 |
|------------------|---------------|--------------|



| |
|------------------|
| 788,656,893.82 |
| 2,842,100,232.11 |
| 543,014,987.00 |
| 4,062,479,921.40 |
| 59,962,257.01 |
| 271,507,493.50 |
| 2,266,938,327.24 |
| 7,083,978,472.13 |
| 9,926,078,704.24 |

Unit: RMB

2023 Mid-year

| | | |
|--|------------------|------------------|
| Interest income | | |
| Premiums earned | | |
| Revenue from handling fees and commission | | |
| II. Total Operating Cost | 2,422,706,768.36 | 2,146,185,766.24 |
| Including: Operating cost | 2,016,355,217.93 | 1,834,328,758.28 |
| Interest expenditures | | |
| Handling fees and commission expenditures | | |
| Surrender value | | |
| Net payment of insurance claims | | |
| Net provision of insurance policy reserve | | |
| Premium bonus expenditures | | |
| Reinsurance expenses | | |
| Taxes and surcharges | 17,527,976.80 | 19,528,614.05 |
| Selling expenses | 117,743,142.36 | 110,024,361.15 |
| Administrative expenses | 138,703,456.07 | 126,197,439.71 |
| R&D expenses | 197,269,591.86 | 165,337,184.42 |
| Financial expenses | -64,892,616.66 | -109,230,591.37 |
| Including: Interest expenses | | |
| Interest income | | |
| Add: Other income | 73,953,140.87 | 21,756,005.54 |
| Investment income (losses are expressed with "-") | 793,864.70 | 35,468,139.61 |
| Including: Investment income from associates and joint ventures | | |
| Gains from derecognition of financial assets at amortized cost | | |
| Gains on foreign exchange (losses are expressed with "-") | | |
| Net exposure hedging gains (losses are expressed with "-") | | |
| Gains from changes in fair value (losses are expressed with "-") | -12,751,241.12 | -15,580,233.35 |
| Credit impairment loss (losses are expressed with "-") | -7,353,933.54 | -13,889,581.05 |
| Assets impairment loss (losses are expressed with "-") | -2,318,149.43 | -27,191,500.99 |
| Gains on asset disposal (losses are expressed with "-") | 2,103,120.75 | 516,259.91 |
| III. Operating Profit (Losses are Expressed with "-") | 496,975,236.12 | 479,635,710.05 |
| Add: Non-operating revenue | 6,046,142.11 | 1,363,917.48 |
| Less: Non-operating expenditures | 3,090,278.79 | 6,558,907.81 |
| IV. Total Profit (Total Losses are Expressed with "-") | 499,931,099.44 | 474,440,719.72 |
| Less: Income tax | 77,249,370.26 | 69,084,485.48 |

| | | |
|--|----------------|----------------|
| V. Net Profit (Net Losses are Expressed with "-") | 422,681,729.18 | 405,356,234.24 |
| i. Classified by operation continuity | | |
| 1. Net profit from continuing operations (net losses are expressed with "-") | 422,681,729.18 | 405,356,234.24 |
| 2. Net profit from discontinuing operations (net losses are expressed with "-") | | |
| ii. Categorized by ownership | | |
| 1. Net profit attributable to shareholders of parent company (or less: net loss) | 424,843,451.68 | 410,749,362.62 |
| 2. Net profit attributable to non-controlling shareholders (or less: net loss) | -2,161,722.50 | -5,393,128.38 |
| | | |

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| | | |
|---|------------------|------------------|
| institutions | | |
| Net increase in loans from the central bank | | |
| Net increase in funds borrowed from other financial institutions | | |
| Cash premiums received on original insurance contracts | | |
| Net cash received from re-insurance business | | |
| Net increase in deposits and investments from insurers | | |
| Cash received from interest, fees and commission | | |
| Net increase in funds deposit | | |
| Net increase in repurchase business funds | | |
| Net income from securities trading brokerage business | | |
| Tax refunds received | 43,445,915.70 | 14,608,149.92 |
| Cash received relating to other operating activities | 91,686,457.98 | 96,123,721.95 |
| Subtotal of cash inflows from operating activities | 2,330,670,021.39 | 2,563,162,173.02 |
| Cash paid for purchase of goods and services | 1,068,238,843.76 | 1,632,313,479.29 |
| Net increase of loans and advances to clients | | |
| Net increase in deposits with central bank and other financial institutions | | |
| Cash payments for insurance indemnities of original insurance contracts | | |
| Net increase in funds lent | | |
| Cash received from interest, fees and commission | | |
| Cash payments for policy bonus | | |
| Cash paid to and on behalf of employees | 578,829,705.78 | 505,062,544.18 |
| Cash payments for taxes and rates | 90,470,201.00 | 86,765,050.16 |
| Other cash payments related to operating activities | 64,993,835.44 | 68,469,837.26 |
| Subtotal of cash outflows from operating activities | 1,802,532,585.98 | 2,292,610,910.89 |
| Net cash flows from operating activities | 528,137,435.41 | 270,551,262.13 |
| II. Cash Flows from Investing Activities: | | |
| Cash receipts from withdrawal of investments | | 60,000,000.00 |
| Cash receipts from investment income | 3,857,765.37 | 3,537,699.25 |
| Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets | 1,863,347.40 | 5,597,048.62 |
| Net cash receipts from the disposal of subsidiaries & other business units | | |

| | | |
|---|---------------|----------------|
| Other cash receipts related to investing activities | 50,641,840.48 | 181,578,359.99 |
| Subtotal of cash inflows from investing activities | | |

| | | |
|---|------------------|------------------|
| I. Cash Flows from Operating Activities: | | |
| Cash receipts from sale of goods and the rendering of services | 1,983,957,497.67 | 2,215,090,177.25 |
| Tax refunds received | | 4,966,912.84 |
| Cash received relating to other operating activities | 45,225,046.23 | 68,945,747.95 |
| Subtotal of cash inflows from operating activities | 2,029,182,543.90 | 2,289,002,838.04 |
| Cash paid for purchase of goods and services | 1,071,891,158.25 | 1,953,422,685.24 |
| Cash paid to and on behalf of employees | 294,830,378.37 | 285,891,204.71 |
| Cash payments for taxes and rates | 50,054,638.69 | 45,967,214.84 |
| Other cash payments related to operating activities | 37,200,638.08 | 35,557,638.56 |
| Subtotal of cash outflows from operating activities | 1,453,976,813.39 | 2,320,838,743.35 |
| Net cash flows from operating activities | 575,205,730.51 | -31,835,905.31 |
| II. Cash Flows from Investing Activities: | | |
| Cash receipts from withdrawal of investments | | 60,000,000.00 |
| Cash receipts from investment income | 33,857,765.37 | 3,063,684.91 |
| Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets | | 1,781,300.86 |
| Net cash receipts from the disposal of subsidiaries & other business units | | |
| Other cash receipts related to investing activities | 52,863,973.56 | 226,798,266.52 |
| Subtotal of cash inflows from investing activities | 86,721,738.93 | 291,643,252.29 |
| Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets | 135,121,351.63 | 70,057,251.57 |
| Cash payments for investments | 50,000,000.00 | 49,930,331.94 |
| Net cash payments for the acquisition of subsidiaries & other business units | | 293,760,000.00 |
| Other cash payments related to investing activities | 137,922,778.30 | |
| Subtotal of cash outflows from investing activities | 323,044,129.93 | 413,747,583.51 |
| Net cash flows from investing activities | -236,322,391.00 | -122,104,331.22 |
| III. Cash Flows from Financing Activities: | | |
| Cash receipts from absorbing investments | 11,454,976.00 | 1,470,369,156.10 |
| Cash receipts from borrowings | 766,000,000.00 | 400,000,000.00 |
| Other cash receipts related to financing activities | 118,175,451.67 | 81,646,534.23 |
| Subtotal of cash inflows from financing activities | 895,630,427.67 | 1,952,015,690.33 |
| Cash payments for the repayment of borrowings | 321,950,000.00 | 205,000,000.00 |

| | | | | | | | | | | | | |
|-------------------------------------|----------------|--|--|------------------|---------------|--|--|----------------|------------------|--|--|------------------|
| Error correction of prior period | | | | | | | | | | | | |
| Others | | | | | | | | | | | | |
| II. Opening Balance of Current Year | 543,014,987.00 | | | 4,062,479,921.40 | 59,962,257.01 | | | 271,507,493.50 | 2,266,938,327.24 | | | 7,083,978,472.13 |

| | | | | | | | | | | | | |
|---------------------------------------|----------------|------|------|------|------------------|------|------|------|----------------|------------------|--|------------------|
| IV. Closing Balance of Current Period | 541,451,787.00 | 0.00 | 0.00 | 0.00 | 4,033,190,684.21 | 0.00 | 0.00 | 0.00 | 256,386,393.50 | 1,910,388,461.70 | | 6,741,417,326.41 |
|---------------------------------------|----------------|------|------|------|------------------|------|------|------|----------------|------------------|--|------------------|

3. Operating cycle

The Company has a relatively short operating cycle for its busi

10. Financial instruments

(1) Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: 1) financial assets at amortized cost; 2) financial assets at fair value through other comprehensive income; 3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: 1) financial liabilities at fair value through profit or loss; 2) financial assets that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; 3) financial guarantee contracts not falling within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1); 4) financial liabilities at amortized cost.

(2) Recognition criteria, measurement method and derecognition of financial assets and financial liabilities

1) Recognition criteria and initial measurement method of financial assets and financial liabilities

A financial instrument is recognized as an asset or liability when the Company becomes a party thereto. The financial assets and financial liabilities initially recognized are measured at fair value; for the financial assets and liabilities at fair value through (

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

3) Subsequent measurement of financial liabilities

a) Financial liabilities at fair value through profit or loss

#

3)

are individually recognized as an asset or liability. If substantially all risks and rewards of ownership of the financial asset are retained, the financial asset transferred remains recognized. If the Company does not transfer or retain substantially all risks and rewards of ownership of the financial asset, the financial asset will be individually dealt with according to the following circumstances: 1) if the Company does not retain its control over the financial asset, the financial asset is derecognized, and the right and obligation arising from or retained in the transfer are individually recognized as an asset or liability; 2) if the Company retains its control over the financial asset, the financial asset is recognized as the related financial asset to the extent when the continuing involvement approach applies to the transfer of the financial asset, and the relevant liabilities are recognized accordingly.

If the transfer of an entire financial asset qualifies for derecognition, the difference between the

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

11. Accounts receivable

(1) Accounts receivables and contract assets with expected credit losses withdrawn by group of credit risk characteristics

| Group Type | Basis for Determination of the Group | Method for Measuring Expected Credit Loss |
|----------------------------|--------------------------------------|--|
| Bank acceptance receivable | Type of notes | Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit |

12. Contract assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

13. Inventory

(1) Classification of inventories

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

(2) Accounting method for dispatching inventories

Inventories dispatched from storage are accounted for with weighted average method at the end of each month.

(3) Inventory system

Perpetual inventory method is adopted.

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

1) Low-value consumables

Low-value consumables are amortized with one-off method.

2) Packing materials

Packages are amortized with one-off method.

(5) Provision for inventory write-down

At the balance sheet date, inventories are measured at the lower cost and net realizable value; provisions for inventory write-down are made on the excess of to M r

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

For a long-term equity investment with a control relationship, it is accounted for with cost method; for a long-term equity investment with joint control or significant influence relationship, it is accounted for with equity method.

(4) Treatment method of investing in subsidiaries until loss of control right step by step through multiple transactions

1) The principle of judging whether it belongs to a "bundled transaction"

If the equity investment in a subsidiary is disposed of in a step-by-step manner through multiple transactions until control right is lost, the Company shall determine whether the step transaction is a "bundled transaction" based on the terms of the transaction agreement for each step of the step transaction, the disposal consideration obtained separately, the object of the equity sale, the disposal method, the time point of disposal and other information. If the terms, conditions, and economic impact of each transaction meet one or more of the following conditions, it usually indicates that multiple transactions are "bundled transaction":

- a) These transactions were entered into simultaneously or considering their mutual influence;
- b) The transactions as a whole can achieve a complete commercial outcome;
- c) The occurrence of one transaction is contingent upon the occurrence of at least one other transaction;
- d) One transaction is uneconomical on its own, but it is economical when taken together with other transactions.

2) Accounting treatment of transactions that are not "bundled transaction"

a) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. For the remaining equity, if it still has a significant impact on the investee or implements joint control with other parties, it shall be accounted for by the equity method; if it is no longer possible to exercise control, joint control or significant influence on the investee, accounting shall be carried out in accordance with the relevant provisions of *CASBE No. 22 - Recognition and Measurement of Financial Instruments*.

b) Consolidated financial statements

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from the acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium) and, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings;

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value; The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

3) Accounting treatment of "bundled transaction"

a). Stand-alone financial statements

In case of a "bundled transaction", stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control, the difference between the disposal consideration at each stage and the carrying amount of the long-term equity investment corresponding to the disposal investment is recognized as other comprehensive income in the stand-alone financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

b). Consolidated financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment; However, before the Company loses control, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income in the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

15. Investment property

Measurement model for investment property

Not applicable

16. Fixed assets**(1) Recognition conditions**

Fixed assets are tangible assets held for producing goods or rendering services, for rental to others, or administrative purposes and are expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

(2) Depreciation method

| Type | Depreciation Method | Depreciable Life | Residual Value Rate | Annual Depreciation Rate |
|--------------------------|----------------------|------------------|---------------------|--------------------------|
| Buildings and structures | Straight-line method | 10 to 20 years | 5.00% | 9.50%-4.75% |
| General equipment | Straight-line method | 3 to 5 years | 5.00% | 31.67%-19.00% |
| Special equipment | Straight-line method | 3 to 10 years | 5.00% | 31.67%-9.50% |
| Transport facilities | Straight-line method | 4 years | 5.00% | 23.75% |

17. Construction in progress

(1) Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

(2) Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress was not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

| Type | Criteria and Time Point for the Transfer of Constructions in Progress to Fixed Assets |
|--------------------------|---|
| Buildings and structures | Construction works has been completed and accepted, and reached its designed usable conditions. |
| General equipment | After installation and debugging, it can meet the design requirements or the standard stipulated in the contract. |
| Special equipment | After installation and debugging, it can meet the design requirements or the standard stipulated in the contract. |

18. Borrowing costs

| Item | Useful Life and its Determination Basis | Amortization Method |
|------------------------|---|----------------------|
| Land use right | 50 years, the available time for land use | Straight-line method |
| Software | 5-10 years, expected useful life | Straight-line method |
| Proprietary technology | 10 years, e | |

Commissioned R&D expenses refer to the expenses incurred by the Company in entrusting domestic and overseas institutions or individuals to carry out R&D activities (the results of R&D activities shall be owned by the Company and closely related to the Company's main businesses).

g) Other expenses

Other expenses refer to expenses directly related to R&D activities in addition to the aforementioned expenses, including technical book and material fees, material translation fees, expert consultation fees, high-tech R&D insurance fees, R&D results retrieval, argumentation, evaluation, appraisal, and acceptance fees, intellectual property application fees, registration fees, agency fees, conference expenses, business travelling expenses, communication fees, etc.

2) Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: a) the technical feasibility of completing the intangible asset so that it will be available for use or sale; b) its intention to complete the intangible asset and use or sell it; c) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; d) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and e. its ability to measure the expenditure attributable to the intangible asset reliably during its development.

20. Impairment of long-term assets

For long-term assets such as long-term equity investments, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives, the recoverable amount is to be estimated if there is an indication of impairment at the balance sheet date. For goodwill recognized in a business combination and intangible assets with indefinite useful lives, no matter whether there is an indication of impairment, an impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as a provision for assets impairment through profit or loss.

21. Long-term prepayments

Long-term prepayments are expenses that have been recognized but with an amortization period of over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

22. Contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

services received as consideration for the equity instruments based on the grant date fair value of the equity instruments granted; if the modification reduces the number of equity instruments granted to an employee, that reduction is accounted for as a cancellation of that portion of the grant; if the Company modifies the vesting conditions in a manner that is not beneficial to the employee, the Company does not take the modified vesting conditions into account.

If the Company cancels or settles a grant of equity instruments during the vesting period (other than that cancelled when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

25. Revenue

Accounting policies adopted for recognition and measurement of revenue disclosed by business type

(1) Principles for revenue recognition

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: 1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; 2) the customer can control goods as they are created by the Company's performance; 3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To decide whether the customer has obtained the control over goods, the Company takes the following into account: (1) the customer has the legal title to the goods; (2) the customer has physical possession of the goods; (3) the customer has the significant risks and rewards of ownership of the goods; (4) the customer has the ability to direct the use of the goods and to restrict access to those goods by other parties; (5) the customer has the ability to sell the goods to a third party without substantial restrictions.

2) If there is variable consideration in a contract, the Company shall determine the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount that the cumulative recognized income will most likely not be significantly written-back when the relevant uncertainty is eliminated.

3) If there is a significant financing component in a contract, the Company shall determine the transaction price according to the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

4) If a contract contains two or more performance obligations, the Company shall allocate the transaction price to each single performance obligation according to the relative proportion of the single selling price of the goods promised by each single performance obligation on the commencement date of the

(3) Specific methods for revenue recognition

The Company is mainly engaged in sales of semiconductor components, semiconductor chips, semiconductor silicon wafers, etc. which is a performance obligation satisfied at a point in time. Revenue from domestic sales is recognized when the Company has delivered goods to the customer as agreed by contract, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company. Revenue from overseas sales is recognized when the Company has declared goods to the customs based on contractual agreements and has obtained a bill of lading, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

Differences in revenue recognition methods and measurement methods caused by different business models for the same type of business

None

26. Contract costs

The Company recognizes as an asset the incremental costs of obtaining a contract if those costs are expected to be recovered.

If the costs incurred in fulfilling a contract are not within the scope of standards related to inventories, fixed assets or intangible assets, the Company shall recognize the costs to fulfill a contract as

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The Company shall make provision for impairment and recognize an impairment loss to the extent that the carrying amount of an asset related to contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates less the costs expected to be incurred. The Company shall recognize a reversal of an impairment loss previously recognized in profit or loss when the impairment conditions no longer exist or have improved. The carrying amount of the asset after the reversal shall not exceed the amount that would have been determined on the reversal date if no provision for impairment had been made previously.

27. Government grants

(1) Government grants shall be recognized if, and only if, the following conditions are all met: 1) The Company is able to satisfy all the conditions attached to such government grant; 2) The Company is able to receive the grants from the government. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants were measured at fair value; if the fair value could not be reliably obtained, they were measured at the nominal amount.

(2) Judgment basis and accounting treatment method for government grants related to assets

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those government grants measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

(3) Judgment basis and accounting treatment method for government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant costs during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset the relevant cost.

(4) Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

(5) Accounting treatment method for policy interest subvention

1) In the circumstance that government appropriates interest subvention to a lending bank that provides loans for the Company with a policy subsidized interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidized interest rate. Borrowings are carried at the fair value of the borrowings, with borrowings cost computed based on the effective interest method. The difference between the actual amount received and the fair value of the borrowings is recognized as deferred income. Deferred income is

amortized using the effective interest method during the duration of borrowings to offset related borrowing costs.

2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidized interest shall offset relevant borrowing costs.

28. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference between the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

(2) A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

(3) At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

(4) The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: 1) business combination; and 2) the transactions or items directly recognized in equity.

(5) When the following conditions are met simultaneously, the Company shall present the deferred tax assets and deferred tax liabilities at the net amount after offsetting: 1) It has the legal right to settle the tax assets and tax liabilities for the period at the net amount; 2) Deferred tax assets and deferred tax liabilities are related to the tax levied by the same tax collection and management departments on the same taxpayer or on different taxpayers, however, in the future, for each significant deferred tax asset and deferred tax liability to be reversed, the involved taxpayers intend to settle the tax assets and tax liabilities for the period on a net basis or acquire assets and pay off debts simultaneously.

29. Leases

(1) Accounting treatment for leases as the lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes an ease as a lease of a low-value asset if the underlying asset is of low value when it is new. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

For all short-term leases and leases of low-value assets, lease payments are recognized a " tÂ M

The right-of-use asset is measured at cost and the cost shall comprise: a) the amount of the initial measurement of the lease liabilities; b) any lease payments made at or before the commencement date, less any lease incentives received; c) any initial direct costs incurred by the lessee; and d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Company depreciates the right-of-use asset using the straight-line method. If it is reasonable to be certain that the ownership of the underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

2) Lease liabilities

At the commencement date of the lease term, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date of the lease term, if there is a change in the following items: 1) actual fixed payments; 2) amounts expected to be payable under residual value guarantees; 3) an index or a rate used to determine lease payments; 4) assessment result or exercise of purchase option, extension option or termination option., the Company remeasures the lease liabilities based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liabilities, the remaining amount shall be recognized into profit or loss.

(2) Accounting treatment of leases as the lessor

At the commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is classified as an operating lease.

1) Operating lease

Lease receipts are recognized as lease income with straight-line method over the lease term. Initial direct costs incurred shall be capitalized, amortized on the same basis as the recognition of lease income, and included into profit or loss by installments. Variable lease payments related to operating lease which are not included in the lease payment are charged as profit or loss in the periods in which they are incurred.

2) Financial lease

At the commencement date, the Company recognizes the finance lease payment receivable based on the net investment in the lease (sum of the present value of unguaranteed residual value and lease receipts that are not received at the commencement date, discounted by the interest rate implicit in the lease), and derecognizes assets held under the finance lease. The Company calculates and recognizes interest income using the interest rate implicit in the lease over the lease term.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

| | |
|---|------|
| Yangzhou J&V Semiconductor Company, Yixing Jiexin Semiconductor Co., Ltd., Jiangsu Yangjie Runau Semiconductor Co., Ltd., Sichuan Yajixin Electronic Technology Co., Ltd., Sihong Hongxin Semiconductor Co., Ltd., Hunan Jiechuwei Semiconductor Technology Co., Ltd. | |
| Jiangsu MCC Semiconductor Co., Ltd., Yangzhou Jiemei Semiconductor Co., Ltd., Shanghai Xinyangjie Electronics Co., Ltd., Shanghai Lingxin Semiconductor Technology Co., Ltd., Wuxi Lingxin Semiconductor Technology Co., Ltd., Hangzhou E-Giant Semiconductor Technology Co., Ltd., Wuxi Jiexiwei Semiconductor Co., Ltd. | 20 % |
| Other domestic subsidiaries | 25% |

2. Tax incentives

(1) Pursuant to the *Announcement on List of the First Batch of High-tech Enterprises to be Recorded in Jiangsu Province in 2021* by the National High-tech Enterprise Accreditation Management Leading Group, the Company passed the review of high-tech enterprises and was accredited as a high-tech enterprise with a valid period from 2021 to 2023. In the current period, it was subject to a tax rate of 15% for enterprise income tax.

(2) Pursuant to the *Announcement on Record of the Second Batch of High-tech Enterprises Accredited by the Accreditation Authority in Sichuan Province in 2022* by the National High-tech Enterprise Accreditation Management Leading Group, subsidiaries Chengdu Qingyang and Sichuan Yajixin

and a tax rate of 20% for enterprise income tax. The subsidiaries, MCC Jiangsu, Yangzhou Jiemei, Shanghai Xinyang, Shanghai Lingxin, Wuxi Lingxin, Wuxi Jiexiwei and Hangzhou E-Giant, are

| | | |
|-------------------------------|---------------|---------------|
| Equity instrument investments | 30,574,630.45 | 31,785,067.71 |
| Financial products | | 10,000,000.00 |
| Of which: | | |
| Total | 30,574,630.45 | 41,785,067.71 |

Other notes:

3. Notes receivable

(1) Notes receivable listed by category

Unit: RMB

| Item | Closing Balance | Opening Balance |
|------------------------|-----------------|-----------------|
| Trade acceptance notes | 17,834,919.97 | 12,863,153.42 |
| Total | 17,834,919.97 | 12,863,153.42 |

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

Unit: RMB

| Type | Closing Balance | | | | | Opening Balance | | | | |
|---|------------------|------------|--------------------|-----------------------|-----------------|------------------|------------|--------------------|-----------------------|-----------------|
| | Carrying Balance | | Bad Debt Provision | | Carrying Amount | Carrying Balance | | Bad Debt Provision | | Carrying Amount |
| | Amount | Percentage | Amount | Withdrawal Proportion | | Amount | Percentage | Amount | Withdrawal Proportion | |
| Of which: | | | | | | | | | | |
| Notes receivable of bad debt provision withdrawn by group | 18,773,599.97 | 100.00% | 938,680.00 | 5.00% | 17,834,919.97 | 13,540,161.50 | 100.00% | 677,008.08 | 5.00% | 12,863,153.42 |
| Of which: | | | | | | | | | | |
| Trade acceptance notes | 18,773,599.97 | 100.00% | 938,680.00 | 5.00% | 17,834,919.97 | 13,540,161.50 | 100.00% | 677,008.08 | 5.00% | 12,863,153.42 |
| Trade acceptance receivable | 18,773,599.97 | 100.00% | 938,680.00 | 5.00% | 17,834,919.97 | 13,540,161.50 | 100.00% | 677,008.08 | 5.00% | 12,863,153.42 |
| Total | 18,773,599.97 | 100.00% | 938,680.00 | 5.00% | 17,834,919.97 | 13,540,161.50 | 100.00% | 677,008.08 | 5.00% | 12,863,153.42 |

Names of types of bad debt provision withdrawn by group:

Unit: RMB

| Name | Closing Balance | | |
|-----------------------------|------------------|--------------------|-------|
| | Carrying Balance | Bad Debt Provision | |
| Trade acceptance receivable | 18,773,599.97 | 938,680.00 | 5.00% |
| Total | 18,773,599.97 | 938,680.00 | |

Notes to the determination basis for the group:

If the general mode of expected credit loss is adopted to withdraw bad debt provision of notes receivable:

Applicable Not applicable

(3) Bad debt provision withdrawal, reversed or recovered in the current period

Withdrawal of bad debt provision in the current period:

Unit: RMB

| Type | Opening Balance | Changes in the Current Period | | | | Closing Balance |
|---------------------------------------|-----------------|-------------------------------|-----------------------|-------------|--------|-----------------|
| | | Withdrawal | Reversed or Recovered | Written off | Others | |
| Bad debt provision withdrawn by group | 677,008.08 | 261,671.92 | | | | 938,680.00 |
| Total | 677,008.08 | 261,671.92 | | | | 938,680.00 |

Of which the bad debt provision recovered or reversed with significant amount in the current period:

Applicable Not applicable

(4) Notes receivable pledged by the Company at the period-end

Unit: RMB

| Item | Closing Pledged Amount |
|------|------------------------|
| | |

(5) Notes receivable which had endorsed or discounted by the Company and had not due on the balance sheet date at the period-end

Unit: RMB

| Item | Closing Derecognized Amount | Closing Un-derecognized Amount |
|------------------------|-----------------------------|--------------------------------|
| Trade acceptance notes | 1,356,973.99 | 1,869,029.80 |
| Total | 1,356,973.99 | 1,869,029.80 |

(6) Notes receivable with actual verification in the current period

Unit: RMB

| Item | Written-off Amount |
|------|--------------------|
| | |

Of which, the verification of significant notes receivable:

Unit: RMB

| Entity | Nature | Written-off amount | Reason for verification | Verification procedures performed | Whether occurred because of related-party transactions |
|--------|--------|--------------------|-------------------------|-----------------------------------|--|
| | | | | | |

| Ages | Closing Carrying Balance | Opening Carrying Balance |
|-----------------------------|--------------------------|--------------------------|
| Within one year (inclusive) | 1,757,393,761.54 | 1,593,120,069.92 |
| One to two years | 6,827,497.33 | 3,824,841.95 |
| Two to three years | 847,414.34 | |
| Above three years | 226,636.65 | 226,636.65 |
| Three to four years | 226,636.65 | 226,636.65 |
| Total | 1,765,295,309.86 | 1,597,171,548.52 |

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

Unit: RMB

| Type | Closing Balance | | | Opening Balance |
|------|------------------|--------------------|-----------------|-----------------|
| | Carrying Balance | Bad Debt Provision | Carrying Amount | |
| | | | | |

| | | | |
|-------|------------------|---------------|--|
| Total | 1,763,693,924.33 | 88,611,690.01 | |
|-------|------------------|---------------|--|

Notes to the determination basis for the group:

If adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable:

Applicable Not applicable

(3) Bad debt provision withdrawal, reversed or recovered in the current period

Withdrawal of bad debt provision in the current period:

Unit: RMB

| Type | Opening Balance | Changes in the Current Period | | | | Closing Balance |
|------|-----------------|-------------------------------|-----------------------|-------------|--------|-----------------|
| | | Withdrawal | Reversed or Recovered | Written off | Others | |
| | | | | | | |

| | | | |
|---------------------------------|------------|-----------|-------|
| Quality guarantee deposit group | 726,169.89 | 36,308.49 | 5.00% |
| Total | 726,169.89 | 36,308.49 | |

Notes to the determination basis for the group:

Bad debt provision withdrawn by the general mode of expected credit loss

Applicable Not applicable

(4) Bad debt provision withdrawal, reversed or recovered in the current period

Unit: RMB

| Item | Provision Withdrawn in the Current Period | Provision Reversed or Recovered in the Current Period | Provision Written-off/charged-off in the Current Period | Reason |
|---|---|---|---|--------|
| Provision for impairment withdrawn by group | | 48,406.85 | | |
| Total | | 48,406.85 | | -- |

Of which the bad debt provision recovered or reversed with significant amount in the current period:

Unit: RMB

| Entity | Amount Reversed or Recovered | Reason for Reversal | Way of Recovery |
|--------|------------------------------|---------------------|-----------------|
| | | | |

ification according to bad debt provision method

Unit: RMB

| osing Balance | | | Opening Balance | | | | |
|--------------------|-----------------------|-----------------|------------------|------------|--------------------|------------|----------------|
| Bad Debt Provision | | Carrying Amount | Carrying Balance | | Bad Debt Provision | | Carryin Amount |
| Amount | Withdrawal Proportion | | Amount | Percentage | Amount | Withdrawal | |
| 0.00 | 0.00% | 167,514,616.96 | 217,717,753.23 | 100.00% | 0.00 | 0.00% | 217,717,75 |
| 0.00 | 0.00% | 167,514,616.96 | 217,717,753.23 | 100.00% | 0.00 | 0.00% | 217,717,75 |
| 0.00 | 0.00% | 167,514,616.96 | 217,717,753.23 | 100.00% | 0.00 | 0.00% | 217,717,75 |

drawn by the general mode of expected credit loss

Unit: RMB

| Stage 1 | Stage 2 | Stage 3 | Total |
|-------------------|---------|---------|-------|
| pectctctg Â b p b | catc | f f | Total |

| Item | Closing Pledged Amount |
|------|------------------------|
|------|------------------------|

(5) Receivables financing which had endorsed or discounted by the Company and had not due on the balance sheet date at the period-end

Unit: RMB

| Item | Closing Derecognized Amount | Closing Un-derecognized Amount |
|----------------------------|-----------------------------|--------------------------------|
| Bank acceptance receivable | 247,536,482.49 | 1,172,554,027.19 |
| Total | 247,536,482.49 | 1,172,554,027.19 |

(6) Receivables financing with actual write-off in the current period

Unit: RMB

| Item | Written-off Amount |
|------|--------------------|
|------|--------------------|

Of which the write-off of significant receivables financing

Unit: RMB

| Entity | Nature of Receivables | Written-off Amount | Reason for Verification | Verification Procedures Performed | Whether Occurred Because of Related-party Transactions |
|--------|-----------------------|--------------------|-------------------------|-----------------------------------|--|
|--------|-----------------------|--------------------|-------------------------|-----------------------------------|--|

Notes for

Of cing m

| | | Impairment Not Incurred) | Impairment Incurred) | |
|---|-------------|--------------------------|----------------------|---------------|
| Balance as at January 1, 2024 | 597,054.69 | 97,312.14 | 9,221,940.68 | 9,916,307.51 |
| Balance as at January 1, 2024 in the current period | | | | |
| --Transferred to Stage 2 | -122,275.79 | 122,275.79 | | |
| --Transferred to Stage 3 | | -84,849.10 | 84,849.10 | |
| Provision withdrawn in the current period | 312,252.62 | 109,812.76 | -2,995,685.92 | -2,573,620.54 |
| Balance as at June 30, 2024 | 787,031.52 | 244,551.59 | 6,311,103.86 | 7,342,686.97 |

Classification basis and bad debt provision proportion for each stage

Changes of carrying amount with significant amount changed of loss provision in the current period

Applicable Not applicable

4) Bad debt provision withdrawal, reversed or recovered in the current period

Withdrawal of bad debt provision in the current period:

Unit: RMB

| Type | Opening balance | Changes in the Current Period | | | | Closing Balance |
|------|-----------------|-------------------------------|-----------------------|----------------------------|--------|-----------------|
| | | Withdrawal | Reversed or Recovered | Charged off or Written off | Others | |
| | | | | | | |

Of which the bad debt provision recovered or reversed with significant amount in the current period:

Unit: RMB

| Entity | Amount Recovered or Reversed | Reason for Reversal | Way of Recovery | Basis and Rationality of Determining the Ratio of Withdrawing Original Bad Debt Provision |
|--------|------------------------------|---------------------|-----------------|---|
| | | | | |

5) Other receivables with actual verification in the current period

Unit: RMB

| Item | Written-off Amount |
|------|--------------------|
| | |

Of which the verification of significant other receivables:

Unit: RMB

| Entity | Nature | Written-off Amount | Reason for Verification | Verification Procedures Performed | Whether Occurred Because of Related-Party Transactions |
|--------|--------|--------------------|-------------------------|-----------------------------------|--|
| | | | | | |

Notes to the verification of other receivables:

6) Top 5 of the closing balance of other receivables collected according to the arrears party

Unit: RMB

| Entity | Nature | Closing balance | Ages | Proportion to Total Closing Balance of Other Receivables | Closing Balance of Bad Debt Provision |
|--------|--------------------|-----------------|--------------------|--|---------------------------------------|
| No. 1 | Guarantee deposits | 34,560.00 | Within one year | 0.14% | 1,728.00 |
| No. 1 | Guarantee deposits | 950,000.00 | One to two years | 3.81% | 95,000.00 |
| No. 1 | Guarantee deposits | 130,000.00 | Two to three years | 0.52% | 65,000.00 |
| No. 1 | Guarantee deposits | 1,800,000.00 | Above three years | , | 6 |

t O

Unit: RMB

| Opening Balance | Increased Amount for the Current Period | | Decreased Amount for the Current Period | | Closing Balance |
|-----------------|---|--------|---|--------|-----------------|
| | Withdrawal | Others | Reversal or Write-off | Others | |
| 20,154,737.36 | 11,729,681.55 | | | | 31,884,418.91 |
| 2,530,535.65 | 5,443,063.25 | | | | 7,973,598.90 |
| 51,368,440.73 | | | 14,806,188.52 | | 36,562,252.21 |
| 74,053,713.74 | 17,172,744.80 | | 14,806,188.52 | | 76,420,270.02 |

Inventory write-down withdrawn by group:

Unit: RMB

| Closing | % | Me | t |
|---------|---|----|---|
| | | | |

12. Other non-current financial assets

Unit: RMB

| Item | Closing Balance | Opening Balance |
|------|-----------------|-----------------|
|------|-----------------|-----------------|

[REDACTED]

[REDACTED]

[REDACTED]

| Item | Closing Balance | Opening Balance |
|--------------------------|------------------|-----------------|
| Construction in progress | 1,268,412,974.50 | 720,260,135.67 |
| Total | 1,268,412,974.50 | 720,260,135.67 |

(1) List of construction in progress

Unit: RMB

| Item | Closing Balance | | | Opening Balance | | |
|---|------------------|--------------------------|------------------|------------------|--------------------------|-----------------|
| | Carrying Balance | Allowance for Impairment | Carrying Amount | Carrying Balance | Allowance for Impairment | Carrying Amount |
| Hunan Jiechuwei Company 8" wafer project | 710,889,932.18 | | 710,889,932.18 | 495,450,159.48 | | 495,450,159.48 |
| Other production expansion and line upgrade projects | 101,568,940.71 | | 101,568,940.71 | 100,379,494.21 | | 100,379,494.21 |
| Wafer project phase II | 59,393,341.14 | | 59,393,341.14 | 56,978,178.90 | | 56,978,178.90 |
| Automotive-grade power chip manufacturing project | 321,105,896.01 | | 321,105,896.01 | 20,545,726.01 | | 20,545,726.01 |
| | 9,211.94 | | 5,079,211.94 | 6,919,469.06 | | 6,919,469.06 |
| project phase I | | | | | | |
| Vietnam production base construction project | 15,322,248.30 | | 15,322,248.30 | 464,391.46 | | 464,391.46 |
| Semiconductor monocrystalline material capacity expansion project phase I | 3,960.40 | | 3,960.40 | 238,310.85 | | 238,310.85 |
| Other equipment installation projects | 26,686,267.11 | | 26,686,267.11 | 22,548,873.67 | | 22,548,873.67 |
| Other fragmentary projects | 28,363,176.71 | | 28,363,176.71 | 16,735,532.03 | | 16,735,532.03 |
| Total | 1,268,412,974.50 | | 1,268,412,974.50 | 720,260,135.67 | | 720,260,135.67 |

(2) Changes in significant construction in progress during the current period

Unit: RMB

| Items | Budget | Opening Balance | Increased Amount for the Current Period | Amount of Fixed Assets Transferred-in for the Current Period | Other Decreased Amount for the Current Period | Closing Balance | Proportion of Accumulated Investment in Constructions to Budget | Construction Progress | Accumulated Amount of Capitalized Interest |
|-------|--------|-----------------|---|--|---|-----------------|---|-----------------------|--|
|-------|--------|-----------------|---|--|---|-----------------|---|-----------------------|--|

| | | | | | | | | | | | | |
|--|----------------|----------------|---------------|---------------|--|----------------|--------|-----|--|--|--|--------|
| production expansion and line upgrade projects | 530,000,000.00 | 100,379,494.21 | 36,952,401.48 | 35,762,954.98 | | 101,568,940.71 | 99.20% | 99% | | | | Others |
|--|----------------|----------------|---------------|---------------|--|----------------|--------|-----|--|--|--|--------|

| Item | Buildings and Structures | Special Equipment | Total |
|--|--------------------------|-------------------|----------------|
| | | | |
| | 150,640,827.29 | 28,603,538.46 | 179,244,365.75 |
| 2. Increased amount for the current period | 168,815.33 | | 168,815.33 |
| (1) Exchange rate changes | 168,815.33 | | 168,815.33 |
| | | | |
| | | | |
| | 150,809,642.62 | 28,603,538.46 | 179,413,181.08 |
| | | | |
| | 57,482,526.10 | 3,945,315.63 | 61,427,841.73 |
| 2. Increased amount for the | | | |

| | | | Technologies | | Technology | |
|--|----------------|--|--------------|---------------|---------------|----------------|
| I. Original Carrying Amount | | | | | | |
| 1. Opening balance | 196,862,427.74 | | | 50,353,170.93 | 15,900,000.00 | 263,115,598.67 |
| 2. Increased amount for the current period | | | | 906,460.76 | | 906,460.76 |
| (1) Purchase | | | | 906,460.76 | | 906,460.76 |
| (2) Internal R&D | | | | | | |
| (3) Increase from business combination | | | | | | |
| 3. Decreased amount for the current period | 2,589,149.93 | | | 52,312.35 | | 2,641,462.28 |
| (1) Disposal | | | | | | |

chinne

| | | | | | | |
|---|--|--|--|--|--|--|
| amount for the current period | | | | | | |
| (1) Accrual | | | | | | |
| | | | | | | |
| 3. Decreased amount for the current period | | | | | | |
| (1) Disposal | | | | | | |
| | | | | | | |
| 4. Closing balance | | | | | | |
| IV. Carrying Amount | | | | | | |
| 1. Closing | | | | | | |

| | | | | | | |
|--------------|----------------|--|--|--|--|----------------|
| MCC Shenzhen | 343,177.48 | | | | | 343,177.48 |
| Total | 320,239,111.57 | | | | | 320,239,111.57 |

(2) Allowance for impairment of goodwill

Unit: RMB

| Investees or Events Resulting in goodwill | Opening Balance | Increase for the Current Period | | Decrease for the Current Period | | Closing Balance |
|---|-----------------|---------------------------------|--|---------------------------------|--|-----------------|
| | | Withdrawal | | Disposal | | |
| Shanghai Xinyang | 1,944,739.19 | | | | | 1,944,739.19 |
| Chengdu Qingyang | 2,727,831.48 | | | | | 2,727,831.48 |
| Jiangsu Runau | 933,076.26 | | | | | 933,076.26 |
| Hunan Jiechuwei | 782,394.86 | | | | | 782,394.86 |
| Total | 6,388,041.79 | | | | | 6,388,041.79 |

(3) Related information of asset group or asset group portfolios which include goodwill

| Name | Composition and Basis of Asset Group or Asset Group Portfolios to which it Belongs | Operating Segments and Basis to which it Belongs | Whether it is Consistent with Previous Years |
|---|--|--|--|
| MCC Hong Kong, Caswell Company and its subsidiaries, MCC Shenzhen | The cash flows generated are independent of other assets or asset groups. | Managed by business type | Yes |
| Chengdu Qingyang Company, Sichuan Yajixin Company | The cash flows generated are independent of other assets or asset groups. | Managed by business type | Yes |
| Hunan Jiechuwei Company | The cash flows generated are independent of other assets or asset groups. | Managed by business type | Yes |

Changes of asset group or asset group portfolios

| Name | Composition Before Changes | Composition After Changes | Objective Facts and Basis for Changes |
|------|----------------------------|---------------------------|---------------------------------------|
|------|----------------------------|---------------------------|---------------------------------------|

Other notes

(4) Specific method of determining the recoverable amount

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

| Item | Carrying Amount | Recoverable Amount | Impairment Amount | Forecast Period | Key Parameters of | Key Parameters of | Basis for Determining |
|------|-----------------|--------------------|-------------------|-----------------|-------------------|-------------------|-----------------------|
|------|-----------------|--------------------|-------------------|-----------------|-------------------|-------------------|-----------------------|

| | | | | (years) | Forecast Period | Stable Period | the Key Parameters of Stable Period |
|--|--|--|--|---------|--------------------|---------------|---|
|--|--|--|--|---------|--------------------|---------------|---|

18. Long-term prepayments

Unit: RMB

| Item | Opening Balance | Increased Amount |
|------|-----------------|------------------|
|------|-----------------|------------------|

(3) Deferred tax assets or liabilities had been off-set presented in net amount

Unit: RMB

| Item | Closing Deferred Tax Assets Offset by Deferred Tax Liabilities | Closing Balance of Deferred Tax Assets or Deferred Tax Liabilities | Opening Deferred Tax Assets Offset by Deferred Tax Liabilities | Deferred Tax Assets/Liabilities after Offset |
|--------------------------|--|--|--|--|
| Deferred tax assets | 69,325,531.18 | 16,374,908.77 | 73,102,333.97 | 14,231,497.36 |
| Deferred tax liabilities | 69,325,531.18 | 241,513,505.86 | 73,102,333.97 | 232,867,475.88 |

(4) List of unrecognized deferred tax assets

Unit: RMB

| Item | Closing Balance | Opening Balance |
|---------------------------------|-----------------|-----------------|
| Deductible temporary difference | 7,342,686.97 | 10,181,721.03 |
| Deductible losses | 158,915,399.02 | 97,661,647.79 |
| | | 107,843,368.82 |

(5) Deductible losses of unrecognized deferred tax assets to be due in the following years

Unit: RMB

| Year | Closing Amount | Opening Amount | Remarks |
|------|----------------|----------------|---------|
| 2024 | 446,993.41 | 446,993.41 | |
| 2025 | 185,436.86 | 185,436.86 | |
| 2026 | 2,160,595.67 | 2,160,595.67 | |

21. Assets with title or use right restrictions

Unit: RMB

| Item | Closing | | | | Opening | | | |
|-------------------|------------------|-----------------|------------------|--------------------------------|------------------|-----------------|------------------|--|
| | Carrying Balance | Carrying Amount | Restriction Type | List of Restrictions | Carrying Balance | Carrying Amount | Restriction Type | List of Restrictions |
| Monetary assets | 6,567,011.77 | 6,567,011.77 | Frozen | Litigation blocked claims | 6,567,011.77 | 6,567,011.77 | Deposits | Compensation frozen for litigation reasons |
| Fixed assets | 254,639,039.52 | 166,423,666.44 | Pledge | Pledge for borrowings | 155,804,607.91 | 94,519,955.53 | Pledge | Pledge for borrowings |
| Intangible assets | 46,780,954.11 | 40,491,633.43 | Pledge | Pledge for borrowings | 47,113,404.30 | 41,109,837.78 | Pledge | Pledge for borrowings |
| Monetary assets | 1,822,604.61 | 1,822,604.61 | Deposits | Deposits for letters of credit | 581,474.92 | 581,474.92 | Deposits | Deposits for letters of credit |
| Total | 309,809,610.01 | 215,304,916.25 | | | 210,066,498.90 | 142,778,280.00 | | |

Other notes:

22. Short-term borrowings**(1) Category of short-term borrowings**

Unit: RMB

| Item | Closing Balance | Opening Balance |
|----------------------|------------------|-----------------|
| Mortgaged borrowings | 7,817,810.75 | 28,089,888.89 |
| Credit borrowings | 1,071,176,995.06 | 495,360,033.26 |
| Factoring financing | | 30,518,986.30 |
| Total | 1,078,994,805.81 | 553,968,908.45 |

Notes of the category for short-term loans:

(2) List of the short-term borrowings overdue but not returned

The amount of the overdue unpaid short-term borrowings at the period-end was RMB0.00, of which the significant overdue unpaid short-term borrowings are as follows:

Unit: RMB

| Entity | Closing Balance | Interest Rate | Overdue Time | Overdue Charge Rate |
|--------|-----------------|---------------|--------------|---------------------|
|--------|-----------------|---------------|--------------|---------------------|

Other notes

23. Notes payable

Unit: RMB

| Categories | Closing Balance | Opening Balance |
|------------|-----------------|-----------------|
|------------|-----------------|-----------------|

| | | |
|-----------------|----------------|----------------|
| Bank receivable | 251,950,924.91 | 239,394,631.11 |
| Total | 251,950,924.91 | 239,394,631.11 |

The total amount of notes payable due but unpaid was RMB , reason for failed payment is.

24. Accounts payable

(1) List of accounts payable

Unit: RMB

| Item | Closing Balance | Opening Balance |
|------------------------------------|------------------|------------------|
| Payments for materials | 1,020,072,773.17 | 939,383,310.76 |
| Payments for engineering equipment | 375,674,594.35 | 248,705,570.44 |
| Total | 1,395,747,367.52 | 1,188,088,881.20 |

(2) Significant accounts payable aged over one year or overdue

Unit: RMB

| | |
|--|--|
| | |
|--|--|

Oth M- acco n M # t: RMB

M

26. Contract liabilities

Unit: RMB

| Item | Closing Balance | |
|--------------------|-----------------|---------------|
| Payments for goods | 29,286 | 85,088,567.84 |
| Total | 29,286 | 85,088,567.84 |

Significant contract liabilities aged over one year

Unit: RMB

| Item | Closing Balance | Reason |
|------|-----------------|--------|
|------|-----------------|--------|

Significant changes in the carrying amount and the reason in

Unit: RMB

| Item | Change in amount | Reason |
|------|------------------|--------|
|------|------------------|--------|

27. Employee benefits payable

(1) List of payroll payable

0

| Item | Opening Balance | Increase for the Current Period | Decreases |
|------|-----------------|---------------------------------|-----------|
|------|-----------------|---------------------------------|-----------|

(3) List of defined contribution plans

Unit: RMB

| Item | Opening Balance | Increase for the Current Period | Decrease for the Current Period | Closing Balance |
|------------------------------------|-----------------|---------------------------------|---------------------------------|-----------------|
| 1. Basic pension insurance | 282,399.04 | 33,626,774.81 | 33,592,317.38 | 316,856.47 |
| 2. Unemployment insurance premiums | 9,942.76 | 1,082,018.29 | 1,087,052.38 | 4,908.67 |
| | | | | |

| | | |
|-------|--------------|--------------|
| Total | 1,007,326.93 | 3,594,982.83 |
|-------|--------------|--------------|

Increase/Decrease of the short-term bonds payable:

Unit: RMB

| Bond Name | Par Value | Nominal Interest Rate | Issue Date | Bond Duration | Issue Amount | Opening Balance | Issued in the Current Period |
|-----------|-----------|-----------------------|------------|---------------|--------------|-----------------|------------------------------|
|-----------|-----------|-----------------------|------------|---------------|--------------|-----------------|------------------------------|

| | | | | | |
|-------|----------------|--------------|---------------|----------------|--|
| Total | 184,130,467.60 | 2,620,000.00 | 17,633,089.92 | 169,117,377.68 | |
|-------|----------------|--------------|---------------|----------------|--|

Other notes:

Exercise of the Company's employee equity incentives increased capital reserve (share premium) by RMB11,122,176.00. See the notes about capital shares to this financial statement for details.

37. Treasury shares

Unit: RMB

| Item | Opening Balance | Increase for the Current Period | Decrease for the Current Period | Closing Balance |
|--|-----------------|---------------------------------|---------------------------------|-----------------|
| Repurchased Public Shares of the Company | 59,962,257.01 | 30,565,896.79 | | 90,528,153.80 |
| Total | 59,962,257.01 | 30,565,896.79 | | 90,528,153.80 |

Other notes, including a description of the increase or decrease for the current period and the reasons for the change:

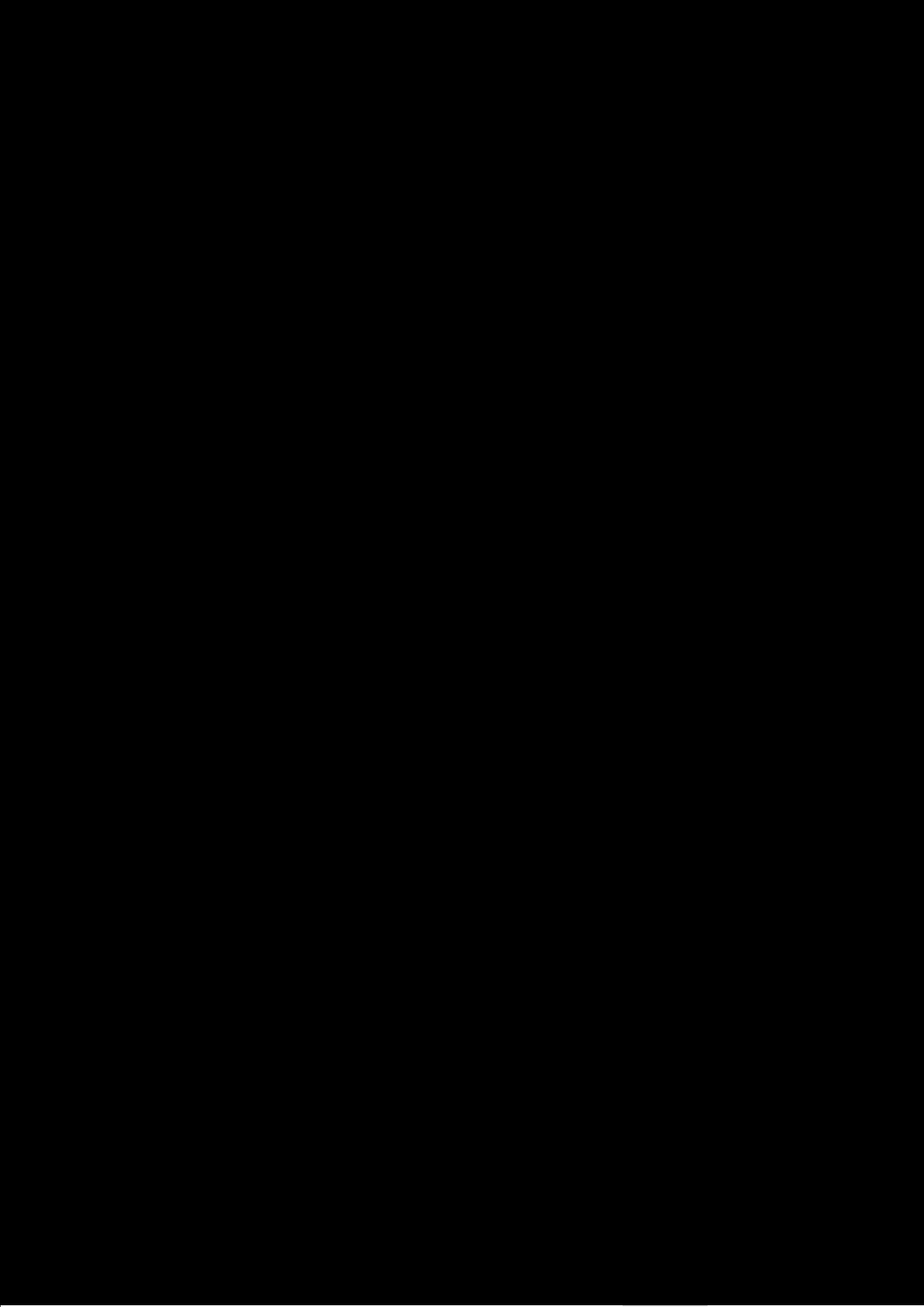
The Company repurchased 882,505 shares of the Company's public shares through centralized bidding trading in the current period, resulting in a corresponding increase in treasury shares of RMB30,565,896.79.

38. Other comprehensive income

Unit: RMB

| Item | Opening Balance | Current Period Cumulative | | | | | Attributable to Parent Company | Attributable Minority Shareholders After Tax | Closing Balance |
|--|-----------------|---|---|---|------------------|--|--------------------------------|--|-----------------|
| | | Current Period Cumulative Before Income Tax | Less: OCI Previously Recognized but Transferred to Profit or Loss in the Current Period | Less: Recorded in Other Comprehensive Income in Prior Period and Transferred in Retained Earnings in the Current Period | Less: Income Tax | | | | |
| II. Other comprehensive income that may subsequently be reclassified to profit or loss | 22,961,850.71 ; | | MTax | | | | | | |

39. Surplus reserve



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

At the end of the Reporting Period, the revenue corresponding to the performance obligations that have been contracted but have not been performed or completed is RMB1,442,057,605.41, of which RMB1,442,057,605.41 is expected to be recognized in 2024, and RMB1,442,057,605.41 in 2025, and RMB0.00 in 2026.

Variable consideration in the contract:

Significant contract changes or significant transaction price adjustments

Unit: RMB

| Item | Accounting Treatment Method | Amount of Impact on Revenue |
|------|-----------------------------|-----------------------------|
|------|-----------------------------|-----------------------------|

Other notes

42. Taxes and surcharges

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|--|---------------------------|--------------------------------|
| Urban maintenance and construction tax | 5,726,313.26 | 7,300,574.91 |
| Education surcharge | 2,467,856.58 | 3,209,930.51 |
| Property tax | 4,319,414.91 | 3,238,639.23 |
| Land use tax | 709,509.80 | 1,255,191.85 |
| Local education surcharge | 1,701,571.06 | 2,139,953.67 |
| Stamp duty and others | 2,603,311.19 | 2,384,323.88 |
| Total | 17,527,976.80 | 19,528,614.05 |

Other notes:

43. Administrative expenses

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|-------------------------------------|---------------------------|--------------------------------|
| Employee benefits | 77,411,821.09 | 66,357,952.81 |
| Depreciation and amortization | 31,056,331.85 | 28,649,694.35 |
| Office expenses | 16,427,071.20 | 7,715,339.27 |
| Intermediary service fees | 4,169,306.74 | 4,763,265.21 |
| Business traveling expenses | 1,156,173.19 | 1,112,363.09 |
| Business entertainment expenses | 117,232.91 | 1,188,478.18 |
| Equity-settled share-based payments | 0.00 | 10,081,102.50 |
| Others | 8,365,519.09 | 6,329,244.30 |
| Total | 138,703,456.07 | 126,197,439.71 |

Other notes

44. Selling expenses

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|---|---------------------------|--------------------------------|
| Employee benefits | 85,562,441.53 | 78,029,908.28 |
| Business traveling expenses | 5,445,982.58 | 6,010,476.02 |
| Office expenses | 13,077,471.39 | 9,796,641.85 |
| Depreciation and amortization | 3,365,474.69 | 2,114,697.33 |
| Business entertainment traveling expenses | 3,368,044.94 | 4,416,146.14 |
| Advertising expenses | 2,294,152.65 | 2,769,456.88 |
| Business consultation fees | 2,257,598.88 | 761,290.16 |
| Equity-settled share-based payments | | 3,491,005.00 |
| Others | 2,371,975.70 | 2,634,739.49 |
| Total | 117,743,142. | |

47. Other income

Unit: RMB

| Sources | Current Period Cumulative | Amount for the Previous Period |
|---|---------------------------|--------------------------------|
| Government grants related to assets | 17,633,089.92 | 15,189,259.77 |
| Additional value-added tax credit | 44,043,141.51 | |
| Government grants related to income | 11,724,025.64 | 6,566,745.77 |
| Refund of handling fees for withholding individual income | 552,883.80 | |
| Total | 73,953,140.87 | 21,756,005.54 |

48. Gains on changes in fair value

Unit: RMB

| Sources | Current Period Cumulative | Amount for the Previous Period |
|--|---------------------------|--------------------------------|
| Equity instrument investments | | |
| Including: Gains on changes in fair value arising from financial assets designated as at fair value through profit or loss | -12,751,241.12 | -15,580,233.35 |
| Total | -12,751,241.12 | -15,580,233.35 |

Other notes:

49. Investment income

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|---|---------------------------|--------------------------------|
| Investment income from long-term equity investments under equity method | 3,846,874.14 | 27,806,362.44 |
| Investment income from disposal of long-term equity investments | | 8,746,986.58 |
| Investment income from financial products | 47,224.90 | 1,694,478.14 |
| Interest income from discounted notes | -3,100,234.34 | -2,779,687.55 |
| Total | 793,864.70 | 35,468,139.61 |

Other notes

50. Credit impairment loss

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|--|---------------------------|--------------------------------|
| Loss on bad debts from notes receivables | -261,671.92 | |
| Loss on bad debts from receivables | -9,665,882.13 | -14,447,206.56 |
| Loss on bad debts from other receivables | 2,573,620.51 | 557,625.51 |
| Total | -7,353,933.54 | -13,889,581.05 |

Other notes

51. Assets impairment loss

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|---|---------------------------|--------------------------------|
| I. Loss on inventory write-down and impairment loss on contract performance costs | -2,366,556.28 | -27,191,500.99 |
| XI. Impairment loss on contract assets | 48,406.85 | |
| Total | -2,318,149.43 | -27,191,500.99 |

Other notes:

52. Gains on asset disposal

Unit: RMB

| Sources | Current Period Cumulative | Amount for the Previous Period |
|-----------------------------------|---------------------------|--------------------------------|
| Gains on disposal of fixed assets | 2,103,120.75 | 516,259.91 |

53. Non-operating revenue

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period | Amount Recorded in the Current Non-recurring Profit or Loss |
|------------------|---------------------------|--------------------------------|---|
| Insurance claims | 1,734,400.48 | | 1,734,400.48 |
| Indemnity income | 2,372,595.70 | 926,292.68 | 2,372,595.70 |
| Others | 1,939,145.93 | 437,624.80 | 2,565,007.68 |
| Total | 6,046,142.11 | 1,363,917.48 | 6,672,003.86 |

Other notes:

54. Non-operating expenditures

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period | Amount Recorded in the Current Non-Recurring Profit or Loss |
|--|---------------------------|--------------------------------|---|
| External donations | 584,000.00 | 4,729,397.94 | 584,000.00 |
| Losses on damage or retirement of non-current assets | 172,132.09 | 736,516.94 | 172,132.09 |
| Indemnity expenditures | 1,947,166.11 | 787,865.94 | 1,947,166.11 |
| Others | 386,980.58 | 305,126.99 | 386,980.58 |
| Total | 3,090,278.79 | 6,558,907.81 | 3,090,278.78 |

Other notes:

55. Income tax expenses**(1) List of income tax expense**

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|------------------------------------|---------------------------|--------------------------------|
| Current period income tax expenses | 70,746,751.69 | 40,830,965.60 |
| Deferred tax expenses | 6,502,618.57 | 28,253,519.88 |
| Total | 77,249,370.26 | 69,084,485.48 |

(2) Adjustment process of accounting profit and income tax expense

Unit: RMB

| Item | Current Period Cumulative |
|---|---------------------------|
| Profit before tax | 499,931,099.44 |
| | 75,029,064.18 |
| Effect of different tax rate applicable to subsidiaries | 1,121,297.11 |
| | |

| Item | Current Period Cumulative | Amount for the Previous Period |
|-------------------------------|---------------------------|--------------------------------|
| Cash payment expenditures | 63,050,277.44 | 60,334,685.87 |
| Payments for various deposits | 1,943,558.00 | 8,135,151.39 |
| Total | 64,993,835.44 | 68,469,837.26 |

Notes:

(2) Cash related other investing activities

Other cash received relating to other investing activities

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|------------------------------|---------------------------|--------------------------------|
| Financial products recovered | 20,000,000.00 | 142,600,000.00 |
| Various deposits recovered | 28,907,440.00 | 38,978,359.99 |
| Insurance claims received | 1,734,400.48 | |
| Total | 50,641,840.48 | 181,578,359.99 |

Significant cash received relating to investing activities

| Item | Current Period Cumulative | Amount for the Previous Period |
|------|---------------------------|--------------------------------|
|------|---------------------------|--------------------------------|

Notes:

Other cash paid relating to other investing activities

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|-----------------------------------|---------------------------|--------------------------------|
| Acquisition of financial products | 10,000,000.00 | 20,800,000.00 |
| Payments for deposits | 28,757,129.69 | 24,014,600.07 |
| Total | 38,757,129.69 | 44,814,600.07 |

Significant cash paid relating to investing activities

| Item | Current Period Cumulative | Amount for the Previous Period |
|------|---------------------------|--------------------------------|
|------|---------------------------|--------------------------------|

Notes:

(3) Cash related to financing activities

Other cash received relating to financing activities

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|------|---------------------------|--------------------------------|
|------|---------------------------|--------------------------------|

Notes:

Other cash paid relating to financing activities

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|--|---------------------------|--------------------------------|
| Repurchased public shares of the Company | 30,565,896.79 | |
| Lease expenses | 4,461,435.11 | |
| Non-public issuance expenses | | 10,670,468.69 |
| Total | 35,027,331.90 | 10,670,468.69 |

Notes:

Changes in liabilities from financing activities

Applicable Not applicable

Unit: RMB

| Item | Opening Balance | Increase for the Current Period | | Decrease for the Current Period | | Closing Balance |
|------|-----------------|---------------------------------|------------------|---------------------------------|------------------|-----------------|
| | | Changes in Cash | Non-Cash Changes | Changes in Cash | Non-Cash Changes | |
| | | | | | | |

(4) Note to presenting cash flows on a net amount basis

| Item | Relevant Facts | Basis for Net Amount Presentation | Financial Impact |
|------|----------------|-----------------------------------|------------------|
| | | | |

(5) Significant activities and financial impacts that do not involve cash inflows and outflows for the current period, but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future**58. Supplementary information to the cash flow statement****(1) Supplemental information for cash flow statement**

Unit: RMB

| Supplementary Information | Amount During the Current Period | Previous Period |
|--|----------------------------------|-----------------|
| 1. Reconciliation of net profit to cash flows from operating activities: | | |
| Net profit | 422,681,729.18 | 405,356,234.24 |
| Add: Allowance for asset impairment | 9,672,082.97 | 27,191,500.99 |
| Depreciation of fixed assets, oil and gas assets, productive biological assets | 273,047,931.17 | 225,180,737.07 |
| Depreciation of right-of-use assets | 12,543,434.57 | 5,627,727.01 |
| Amortization of intangible assets | 5,871,768.22 | 5,190,062.58 |
| Amortization of long-term prepayments | 44,348,038.11 | 26,030,356.21 |
| Losses from disposal of fixed assets, intangible assets and other long-lived assets (gains expressed with "-") | 2,103,120.75 | 516,259.91 |
| Losses from scrap of fixed assets (gains expressed with "-") | 172,132.09 | 736,516.94 |

(3) Situations where the scope of use is limited but still classified as cash and cash equivalents

Unit: RMB

| Item | Amount During the Current Period | Previous Period | Reasons for Remaining Cash and Cash Equivalents |
|---------------|----------------------------------|-------------------------|--|
| Bank deposits | 1,133,011,200.24 | 1,535,431,048.51 | The scope of use of raised funds is limited, and the payment for equity investment projects is not restricted. |
| Total | 1,133,011,200.24 | 1,535,431,048.51 | |

| | | | |
|---------------|-----------|-----|-------------------------|
| MCC Singapore | Singapore | USD | Required by local laws. |
| MCC Vietnam | Vietnam | VND | Required by local laws. |

61. Leases

(1) The Company was lessee

Applicable Not applicable

Variable lease payments that are not covered in the measurement of the lease liabilities

Applicable Not applicable

Rental expense of simplified short-term leases or low-value asset leases

Applicable Not applicable

Conditions involving leaseback transactions

(2) The Company was lessor

Operating lease as a lessor

Applicable Not applicable

Unit: RMB

| Item | Rental Income | Among Them: Related Income from Variable Lease Payments Not Included in the Measurement of Lease Receivables |
|---------------|---------------|--|
| Rental income | 8,453,357.04 | |
| Total | 8,453,357.04 | |

Finance lease as a lessor

Applicable Not applicable

Undiscounted lease receivables for each of the next five years

Applicable Not applicable

Reconciliation sheet of undiscounted lease receivables to net lease investments

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

Applicable Not applicable

60. Others

VIII. R&D Expenses

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|------|---------------------------|--------------------------------|
|------|---------------------------|--------------------------------|

| Acquirees | Equity Acquisition Date | Equity Acquisition Cost | Proportion of Equity | Equity Acquisition Method | Acquisition Date | Determination Basis for Acquisition Date |
|-----------|-------------------------|-------------------------|----------------------|---------------------------|------------------|--|
|-----------|-------------------------|-------------------------|----------------------|---------------------------|------------------|--|

| | | |
|--------------------------|--|--|
| Borrowings | | |
| Accounts payable | | |
| Deferred tax liabilities | | |
| | | |
| Net assets | | |
| | | |

| | |
|--|--|
| Combination Costs | |
| -Cash | |
| -Carrying amount of non-cash assets | |
| -Carrying amount of debt issued or assumed | |
| -Face value of equity securities issued | |
| -Contingent consideration | |

Contingent liabilities and changes thereof:

Other notes:

(3) The carrying amount of assets and liabilities of the combined party on the combination date

Unit: RMB

| | Combination Date | End of the Previous Period |
|------------------------|------------------|----------------------------|
| Assets: | | |
| Cash and bank balances | | |
| Receivables | | |
| Inventories | | |
| Fixed assets | | |
| Intangible assets | | |
| | | |
| Liabilities: | | |
| Borrowings | | |
| Accounts payable | | |

4. Disposal of subsidiary

Whether there were any transactions or events during the current period in which control of the

| | | | | | | | |
|-----------------|----------------|----------|----------|--|--------|--|-------------|
| | | | | manufacturing industry | | | |
| Hunan Jiechuwei | 720,000,000.00 | Changsha | Changsha | Electronic components manufacturing industry | 70.00% | | Acquisition |

Notes of shareholding percentage in subsidiaries different from voting percentage:

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

Basis of controlling significant structural entities incorporated in the scope of combination:

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

Other notes:

(2) Significant non-wholly-owned subsidiaries

Unit: RMB

| Subsidiary | Holding Proportion of Minority Shareholders | Minority Shareholders' Profit or Loss | Dividend Declared to Minority Shareholders | Closing Balance of Minority Interest |
|-------------------|---|---------------------------------------|--|--------------------------------------|
| J&V Semiconductor | 2.00% | 663,536.55 | | 10,696,251.05 |
| Chengdu Qingyang | 40.00% | 6,244,823.70 | 20,000,000.00 | 72,812,171.68 |
| Yixing Jiexin | 45.50% | 1,685,211.09 | | 50,011,067.45 |
| Sichuan Yajixin | 40.00% | 1,119,396.53 | | 16,302,625.82 |
| Hunan Jiechuwei | 30.00% | -11,264,316.33 | | 208,998,220.05 |

Holding proportion of minority interests in subsidiary different from voting proportion:

Other notes:

(3) The main financial information of significant not wholly-owned subsidiaries

Unit: RMB

| Subsidiary | Closing Balance | | | | | | Opening Balance | | | | | |
|------------|-----------------|--------------------|--------------|---------------------|-------------------------|-------------------|-----------------|--------------------|--------------|---------------------|-------------------------|-------------------|
| | Current Assets | Non-current Assets | Total Assets | Current Liabilities | Non-current Liabilities | Total Liabilities | Current Assets | Non-current Assets | Total Assets | Current Liabilities | Non-current Liabilities | Total Liabilities |

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| | | | | | | | | | | | | |
|-----------------|----------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|------------------|----------------|----------------|----------------|
| Hunan Jiechuwei | 203,169,356.19 | 1,293,531,744.01 | 1,496,701,100.20 | 698,177,238.38 | 195,707,066.65 | 893,884,305.03 | 240,770,766.11 | 1,092,438,757.88 | 1,333,209,523.99 | 487,469,018.33 | 205,375,989.40 | 692,845,007.73 |
|-----------------|----------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|------------------|----------------|----------------|----------------|

Unit: RMB

| | Current Period Cumulative | | | | Amount for the Previous Period | | | |
|--|---------------------------|----------------|----------------------------|--------------------------------------|--------------------------------|----------------|----------------------------|--------------------------------------|
| | Operating Revenue | Net Profit | Total Comprehensive Income | Cash Flows from Operating Activities | Operating Revenue | Net Profit | Total Comprehensive Income | Cash Flows from Operating Activities |
| | 324,542,482.30 | 33,176,827.28 | 33,176,827.28 | -45,831,789.45 | 261,853,093.32 | 23,008,714.44 | 23,008,714.44 | 58,436,656.47 |
| | 123,363,535.01 | 15,612,059.26 | 15,612,059.26 | -4,589,501.47 | 92,967,184.96 | 4,056,557.12 | 4,056,557.12 | 3,554,840.77 |
| | 78,897,399.10 | 3,703,760.63 | 3,703,760.63 | 31,862,982.19 | 85,126,145.87 | 4,383,113.48 | 4,383,113.48 | 16,738,271.18 |
| | 89,947,077.37 | 2,798,491.32 | 2,798,491.32 | 24,082,278.17 | 87,152,928.61 | -18,807,830.52 | -18,807,830.52 | 12,002,831.60 |
| | 159,098,095.60 | -37,547,721.09 | -37,547,721.09 | -45 | | | | |

[Redacted]

[Redacted]

[Redacted]

[Redacted]

| | | |
|---|--|--|
| Net profit | | |
| Net profit from discontinued operations | | |
| Other comprehensive income | | |
| Total comprehensive income | | |
| | | |
| Dividends received from the joint venture in the current period | | |

Other notes

(3) Main financial information of significant associated enterprises

Unit: RMB

| | Closing Balance/Current Period Cumulative | Opening Balance/Amount for the Previous Period |
|--|--|---|
| | | |

(4) Summary financial information of insignificant joint ventures or associated enterprises

Unit: RMB



consolidated financial

consolidated financial

end of the Reporting

estimated time

Unit: RMB

!

an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope.

The Management has deliberated and approved policies concerning such credit risks, and details are: The management has reviewed and approved the policies of managing those risks, which are summarized as follows.

i. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Practices of credit risk management

(1) Methods for evaluating credit risk

At each balance sheet date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit

3. Please refer to Note VII. 3, 4 and 7 of notes to the financial statements for details on the reconciliation table of opening balance and closing balance of provision for losses of financial instrument.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables. In order to control such risks, the Company has taken the following measures:

(1) Monetary Assets

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

(2) Receivables

The Company performs credit assessment on customers using credit settlement on a continuous basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on balance of receivables, to avoid

| Item | Closing Balance | | | | |
|----------|------------------|------------------------------------|------------------|--------------------|-------------------|
| | Carrying Amount | Contract Amount Not Yet Discounted | Within One Year | One to Three Years | Above Three Years |
| Subtotal | 3,719,751,292.30 | 3,042,054,903.53 | 2,508,029,801.25 | 317,940,523.84 | 216,084,578.44 |

(Continued)

| Item | Year-end Balance of Last Year | | | | |
|-----------------|-------------------------------|------------------------------------|-----------------|--------------------|-------------------|
| | Carrying Amount | Contract Amount Not Yet Discounted | Within One Year | One to Three Years | Above three years |
| Bank borrowings | 1,350,196,193.45 | 1,407,943,724.44 | 980,596,959.44 | 262,658,005.00 | 164,688,760.00 |

| Item | Carrying Amount Related to Hedged Items and Hedging Instruments | Accumulated Fair Value Hedging Adjustments Included in the Carrying Amount of Recognized Hedged Items | Hedge Validity and Sources for Hedge Invalidation | Impact of Hedge Accounting on the Financial Statements of the Company |
|-------------------|---|---|---|---|
| Hedging risk type | | | | |
| Hedging type | | | | |

Other notes

(3) The Company conducts hedging business for risk management and expects to achieve risk management objectives, but does not apply hedge accounting

Applicable Not applicable

3. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

2) Financial assets derecognized due to the transfer

Applicable Not applicable

(3) Continued involvement in asset transfer of financial assets

Applicable Not applicable

Other notes

XIII. Disclosure of Fair Value

1. Closing fair value of assets and liabilities measured at fair value

Unit: RMB

| Item | Closing Fair Value | | | |
|---|--------------------------------|--------------------------------|--------------------------------|----------------|
| | Level 1 Fair Value Measurement | Level 2 Fair Value Measurement | Level 3 Fair Value Measurement | Total |
| I. Consistent Fair Value Measurement | -- | -- | -- | -- |
| i. Trading financial assets | 186,699,019.47 | 438,354,009.38 | 93,728,138.00 | 718,781,166.85 |
| (1) Financial assets classified as at fair value through profit and loss for the current period | 186,699,019.47 | 438,354,009.38 | 93,728,138.00 | 718,781,166.85 |
| Equity instruments investments | 186,699,019.47 | 438,354,009.38 | 93,728,138.00 | 718,781,166.85 |
| ii. Receivables financing | | | 167,514,616.96 | 167,514,616.96 |
| Total liabilities at recurring fair value measurement | 186,699,019.47 | 438,354,009.38 | 261,242,754.96 | 886,295,783.81 |

II. Inconsistent Fair

8. The fair value of financial assets and financial liabilities not measured at fair value**9. Others****XIV. Related Party and Related-party Transactions****1. Information related to the parent company of the Company**

| Parent Company | Place of Registration | Business Nature | Registered Capital | Proportion of Share Held by the Parent Company Against the Company (%) | Proportion of Voting Rights Owned by the Parent Company Against the Company (%) |
|--------------------------------------|----------------------------|-----------------------|--------------------|--|---|
| Jiangsu Yangjie Investment Co., Ltd. | Yangzhou, Jiangsu Province | Industrial investment | RMB20 million | 36.12% | 36.12% |

Notes: Information on the parent company

The Company's ultimate controlling party is Liang Qin.

Other notes:

2. Subsidiaries of the Company

See Note X for details of the subsidiaries of the Company.

5. List of related-party transactions

(1) Information on acquisition of goods and reception of labor service

Information on acquisition of goods and reception of labor service

Unit: RMB

| | Content of Transaction | Current Period | The Approval Trade Credit | Whether Exceed Trade Credit or Not | |
|----------------|---------------------------------|----------------|---------------------------|------------------------------------|---------------|
| Jiangsu Power | Purchase of materials | 20,021,651.40 | | No | 10,804,554.84 |
| Dalian Jiafeng | Purchase of parts and equipment | 212,345.13 | | No | 1,212,389.38 |

Information of sales of goods and provision of labor service

Unit: RMB

| | | | | |
|---------------|---------------|--|--------------|------------|
| Jiangsu Power | Sale of goods | | 1,373,575.01 | 470,910.65 |
|---------------|---------------|--|--------------|------------|

Notes to acquisition of goods and reception of labor service

(2) Information on ion o Øeption of lab / Å re 20² is

The Company was lessee:

Unit: RMB

| Name of Lessor | Category of Leased Assets | Rental Expense of Simplified Short-term Leases and Low-value Asset Leases (if applicable) | | Variable Lease Payments that are Not Covered in the Measurement of the Lease Liabilities (if applicable) | | Rent Payable | | Interest Expense on Lease Liabilities Borne | | Added Right-of-use Assets | |
|----------------|---------------------------|---|--------------------------------|--|--------------------------------|---------------------------|--------------------------------|---|--------------------------------|---------------------------|--------------------------------|
| | | Current Period Cumulative | Amount for the Previous Period | Current Period Cumulative | Amount for the Previous Period | Current Period Cumulative | Amount for the Previous Period | Current Period Cumulative | Amount for the Previous Period | Current Period Cumulative | Amount for the Previous Period |

Notes:

(4) Information on related-party guarantee

The Company was guarantor:

Unit: RMB

| Secured Party | Amount of Guarantee | Start Date | End Date | Execution Accomplished or Not |
|---------------|---------------------|------------|----------|-------------------------------|
|---------------|---------------------|------------|----------|-------------------------------|

The Company was secured party

Unit: RMB

| Guarantor | Amount of Guarantee | Start Date | End Date | Execution Accomplished or Not |
|-----------|---------------------|------------|----------|-------------------------------|
|-----------|---------------------|------------|----------|-------------------------------|

Notes:

(5) Information on inter-bank lending of capital of related parties

Unit: RMB

| Related Parties | Amount | Start Date | Maturity Date | Remarks |
|-----------------|--------|------------|---------------|---------|
| Borrowing | | | | |
| Lending | | | | |

(6) Information on assets transfer and debt restructuring by related party

Unit: RMB

| Related Parties | Content of Transaction | Current Period Cumulative | Amount for the Previous Period |
|-----------------|------------------------|---------------------------|--------------------------------|
|-----------------|------------------------|---------------------------|--------------------------------|

(7) Information on remuneration for key management personnel

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|-----------------------------|---------------------------|--------------------------------|
| Key management's emoluments | 3,426,897.02 | 2,603,908.68 |

(8) Other related-party transactions

The Company donated educational funds of RMB500,000 to Yangzhou Yiyuan Education Foundation, a social public welfare organization.

| | |
|--|--|
| Amount of dividends every 10 shares declared for distribution upon deliberation and approval (RMB) | 2.600000 |
| Profit distribution plan | The Company distributed a cash dividend of RMB2.6 (tax-inclusive) per 10 shares to all shareholders, based on the adjusted total share capital of 540,796,782 shares after deducting the shares repurchased in the repurchase account as at August 21, 2024. |

3. Sales return

4. Notes to other events after balance sheet date

XVIII. Other Significant Events

1. The accounting errors correction in previous period

(1) Retrospective restatement

Unit: RMB

| Content | Processing Program | Name of the Influenced Report Items During Comparison Period | Accumulative Impact |
|---------|--------------------|--|---------------------|
|---------|--------------------|--|---------------------|

(2) Prospective application

| Content | Processing Program | Reason for Adopting Prospective Application |
|---------|--------------------|---|
|---------|--------------------|---|

2. Debt Restructuring

3. Assets replacement

(1) Non-monetary assets exchange

(2) Other assets replacement

4. Pension plans

5. Discontinued operation

M

Other notes

6. Segment information

(1) Determination basis and accounting policies of reportable segment

| Type | Closing Balance | | | | | Opening Balance | | | | |
|--|------------------|------------|--------------------|-----------------------|------------------|------------------|------------|--------------------|-----------------------|------------------|
| | Carrying Balance | | Bad Debt Provision | | Carrying Amount | Carrying Balance | | Bad Debt Provision | | Carrying Amount |
| | Amount | Percentage | Amount | Withdrawal Proportion | | Amount | Percentage | Amount | Withdrawal Proportion | |
| Accounts receivable of bad debt provision withdrawn by single item | 1,590,718.70 | 0.10% | 1,590,718.70 | 100.00% | | 1,587,601.36 | 0.10% | 1,587,601.36 | 100.00% | |
| Of which: | | | | | | | | | | |
| Accounts receivable of bad debt provision withdrawn by group | 1,640,938,291.13 | 99.90% | 98,264,627.61 | 0.06% | 1,542,673,663.52 | 1,577,699,889.42 | 99.90% | 84,642,979.36 | 5.36% | 1,493,056,910.06 |
| Of which: | | | | | | | | | | |

| | | | | Contract Assets | Receivable and Provision for Impairment for Contract Assets |
|-------|----------------|--|----------------|-----------------|---|
| No. 1 | 276,081,974.06 | | 276,081,974.06 | 16.81% | 18,598,013.31 |

| Type | Closing Balance | | | | | Opening Balance | | | | |
|---------------------------------------|------------------|------------|--------------------|-----------------------|-----------------|------------------|------------|--------------------|-----------------------|-----------------|
| | Carrying Balance | | Bad Debt Provision | | Carrying Amount | Carrying Balance | | Bad Debt Provision | | Carrying Amount |
| | Amount | Percentage | Amount | Withdrawal Proportion | | Amount | Percentage | Amount | Withdrawal Proportion | |
| Of which: | | | | | | | | | | |
| Bad debt provision withdrawn by group | 126,434,001.97 | 100.00% | 11,322,982.05 | 8.96% | 115,111,019.92 | 81,255,835.05 | 100.00% | 12,896,348.63 | 15.87% | 68,359,486.42 |
| Of which: | | | | | | | | | | |
| Total | 126,434,001.97 | 100.00% | 11,322,982.05 | 8.96% | 115,111,019.92 | 81,255,835.05 | 100.00% | 12,896,348.63 | 15.87% | 68,359,486.42 |

Name of the type of bad debt provision withdrawn by group: Age group

Unit: RMB

| Name | Closing Balance | | |
|--------------------|------------------|--------------------|-----------------------|
| | Carrying Balance | Bad Debt Provision | Withdrawal Proportion |
| Within one year | 120,415,241.49 | 6,020,762.08 | 5.00% |
| One to two years | 377,661.12 | 37,766.11 | 10.00% |
| Two to three years | 753,291.00 | 376,645.50 | 50.00% |
| Above three years | 4,887,808.36 | 4,887,808.36 | 100.00% |
| Total | 126,434,001.97 | 11,322,982.05 | |

Notes to the determination basis for the group:

Bad debt provision withdrawn by the general mode of expected credit loss

Unit: RMB

| Bad Debt Provision | Stage 1 | Stage 2 | Stage 3 | Total |
|-------------------------------|--|--|--|--------------|
| | Expected Credit Loss in the Next 12 Months | Expected Loss in the Duration (Credit Impairment Not Incurred) | Expected Loss in the Duration (Credit Impairment Incurred) | |
| Balance as at January 1, 2024 | 1,255,006.00 | 9.00 | 0.00 | 1,264,015.00 |

Applicable Not applicable

4) Bad debt provision withdrawal, reversed or recovered in the current period

Withdrawal of bad debt provision in the current period:

Unit: RMB

| Type |
|------|
|------|

7) Presentation of other receivables due to centralized management of funds

Other notes:

3. Long-term equity investment

Unit: RMB

| Item | |
|------|--|
|------|--|

| | | | | | | | | |
|------------------|------------------|--------------|--|--|--|--|------------------|--------------|
| Hunan Jiechuwei | 650,416,121.58 | | | | | | 650,416,121.58 | |
| Yangzhou Jieguan | 450,102,491.51 | | | | | | 450,102,491.51 | |
| Yangjie Japan | 301,020.00 | | | | | | 301,020.00 | |
| Total | 2,212,451,294.15 | 2,044,509.64 | | | | | 2,212,451,294.15 | 2,044,509.64 |

(2) Investment to joint ventures and associated enterprises

Unit: RMB

| | Opening Balance of | Opening Balance of | | | | | Closing Balance of | Closing Balance of |
|--|--------------------|--------------------|--|--|--|--|--------------------|--------------------|
| | (Amount) | Impairment | | | | | (Amount) | Impairment |
| | | | | | | | | |

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

At the end of the Reporting Period, the revenue corresponding to the performance obligations that have been contracted but have not been performed or completed was RMB904,181,159.03, of which RMB888,181,796.07 is expected to be recognized in 2024, and RMB15,999,362.96 in 2025, and RMB0.00 in 2026.

Significant contract changes or significant transaction price adjustments

Unit: RMB

| Item | Accounting Treatment Method | Amount of Impact on Revenue |
|------|-----------------------------|-----------------------------|
|------|-----------------------------|-----------------------------|

Other notes:

5. Investment income

Unit: RMB

| Item | Current Period Cumulative | Amount for the Previous Period |
|---|---------------------------|--------------------------------|
| Investment income from long-term equity investments under equity method | 33,846,874.14 | 27,806,362.44 |
| Investment income from disposal of long-term equity investments | | 8,746,986.58 |
| Interest income from discounted notes | -2,678,545.61 | -2,293,471.89 |
| Investment income from financial products | 47,224.90 | 1,380,112.49 |
| Investment income from disposal of debt investments | | |
| Total | 31,215,553.43 | 35,639,989.62 |

6. Others

XX. Supplementary Materials

1. Items and amounts of non-recurring profit or loss

Applicable Not applicable

Unit: RMB

| Item | Amount | Remarks |
|--|----------------|---------|
| Gains on disposal of non-current assets | 1,930,988.66 | |
| Government grants recorded in the current profit or loss (except for those acquired in the ordinary course of company's business, in line with national policies and regulations, enjoyed according to defined standards or imposing continuous impacts on the Company's gains and losses) | 11,724,025.64 | |
| Gains and losses on changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains and losses on disposal of financial assets | -12,751,241.12 | |

| | | |
|--|--------------|--|
| and financial liabilities (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business) | | |
| Gains on assets consigned to the third party for investment or management | 47,224.90 | |
| Other non-operating revenue or expenditures | 3,127,995.41 | |
| Less: Income tax effects | 386,463.05 | |
| Minority shareholders' equity impacts (after tax) | 1,301,021.48 | |
| Total | 2,391,508.96 | |

Details of other profit and loss items in line with the definition of non-recurring gains and losses:

Applicable Not applicable

There are no other profit and loss items in line with the definition of non-recurring gains and losses in the Company.

Note to defining the non-recurring profit and loss items listed in the *Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No. 1 - Non-recurring Gains and Losses* as recurring profit and loss items

Applicable Not applicable

2. Return on equity and earnings per share

| Profit of the Reporting Period | Weighted Average ROE | EPS | |
|---|----------------------|-----------------------|-------------------------|
| | | EPS-basic (RMB/share) | EPS-diluted (RMB/share) |
| Net profit attributable to shareholders of ordinary shares | 5.03% | 0.78 | 0.78 |
| Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss | 5.00% | 0.78 | 0.78 |

3. Accounting data differences under PRC GAAP and those under IFRSs

(1) Differences between disclosed net profits and net assets in financial statements in accordance with international accounting standards and Chinese accounting standards

Applicable Not applicable

(2) Differences between disclosed net profits and net assets in financial statements in accordance with foreign accounting standards and Chinese accounting standards

Applicable Not applicable

(3) Explain reasons for the differences between accounting data under domestic and overseas accounting standards; for any adjustment made to the difference existing in the data audited by the foreign auditing agent, such foreign auditing agent's name shall be clearly stated.

4. Others

