

Suzhou Dongshan Precision Manufacturing Co., Ltd.

Semi-Annual Report 2024



August 20, 2024

Section I Important Note, Table of Contents and Definitions

The Board of Directors, the Board of Supervisors, directors, supervisors and senior executives of the Company hereby warrant that the information contained in this Semi-Annual Report is true, accurate and complete without any misrepresentation, misleading statement or material omission, and agree to assume joint and several liabilities for this Semi-Annual Report.

YUAN Yonggang, Principal of the Company, CFO WANG Xu and Accounting Supervisor ZHU Deguang hereby represent that the financial statements contained in this Semi-Annual Report are true, accurate and complete.

All directors of the Company attended the meeting of the Board of Directors reviewing this Semi-Annual Report.

Forward-looking statements such as those on future development plans in this Report do not constitute substantial commitments by the Company to the investors. The investors should make investments rationally and keep an eye on the associated risks.

In this Report, the Company has elaborated relevant potential risk factors and countermeasures, as can be referred to in “X. Risk Exposures to the Company and Countermeasures” under “Section III Management’s Discussion and Analysis”, to which the investors should pay attention.

The Company had no plan to pay cash dividends, distribute bonus shares or convert any capital reserve to the share capital.

Note:

This document is a translated version of the Chinese Semi-Annual Report 2024 ("2024 年半年度报告"). In case of any discrepancies, the Semi-Annual Report 2024 published in the Chinese version shall prevail. The full Chinese Semi-Annual Report 2024 is available at www.cninfo.com.cn.

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List of References

1. Financial statements signed and chopped by Mr. YUAN Yonggang, legal representative, Mr. WANG Xu, CFO, and Mr. ZHU Deguang, Accounting Supervisor of the Company.
2. Originals of all documents of the Company publicly disclosed during the reporting period and related announcements.
3. Original of the Semi-Annual Report 2024 stamped with the seal and signed by the legal representative of the Company.
4. Place keeping such documents for inspection: Securities Department of the Company at Building 12#, Yunhe Town Headquarters Industrial Park, 99 East Taihu Road, Wuzhong District, Suzhou.

Definitions

Term	means	Definition
Company, we or DSBJ	means	Suzhou Dongshan Precision Manufacturing Co., Ltd.
Printed circuit board (PCB)	means	One of our three major business segments, including research and development (R&D), design, manufacturing and sale of FPCs, rigid PCBs, rigid-flex PCBs and other products.
Photoelectric display	means	One of our three major business segments, including R&D, design, manufacturing and sale of LED devices, touch panels, liquid crystal display modules and other products.
Precision manufacturing	means	One of our three major business segments, including design, manufacturing and sale of precision metal structural components and assemblies and other products.
Yongchuang Tech	means	Suzhou Yongchuang Metal Science and Technology Co., Ltd., a wholly owned subsidiary of the Company.
Hong Kong Dongshan	means	Hong Kong Dongshan Precision Union Optoelectronic Co., Limited, a wholly owned subsidiary of the Company.
Dragon Holdings	means	Dragon Electronix Holdings Inc., a wholly owned subsidiary of Hong Kong Dongshan.
MFLEX	means	Multi-Fineline Electronix, Inc., a wholly owned subsidiary of Dragon Holdings.
MFLEX Suzhou	means	MFLEX Suzhou Co., Ltd., a wholly owned subsidiary of MFLEX.
MFLEX Yancheng	means	MFLEX Yancheng Co., Ltd., a wholly owned subsidiary of MFLEX.
Hong Kong Dongshan Holding	means	Hong Kong Dongshan Holding Limited, a wholly owned subsidiary of the Company.
Multek Group	means	Multek Group (Hong Kong) Limited, a wholly owned subsidiary of Hong Kong Dongshan Holding.
Multek Industries	means	Multek Industries Limited, a wholly owned subsidiary of Multek Group.
Multek Technology	means	Multek Technology (Zhuhai) Co., Ltd., a wholly owned subsidiary of Multek Group.
Multek Zhuhai	means	Multek Zhuhai Limited, a wholly owned subsidiary of Multek Group.
Multek China	means	Multek China Ltd., a wholly owned subsidiary of Multek Group.
Yancheng Dongshan	means	Yancheng Dongshan Precision Manufacturing Co., Ltd., a wholly owned subsidiary of the Company.
Suzhou JDI	means	Suzhou JDI Electronics Inc. a wholly owned subsidiary of the Company.
5G	means	The 5 th generation mobile communication technology.
AI	means	Artificial Intelligence, the simulation of human intelligence using computer programs.
AR	means	Augmented Reality, a technology that combines and integrates the virtual world on screen with the real world, based on precise calculation of position and angle of camera images and image analysis technology.
VR	means	Virtual Reality, a computer-simulated 3D virtual world with scenes and objects that appear to be real.
IoT	means	Internet of Things, a system of interrelated computing devices, mechanical and digital machines, that has a unique identifier (UID) and is capable of transmitting data over the network.
PCB	means	Printed Circuit Board, a finished product with insulated substrates and conductors as materials, designed and made into printed circuits, printed components or a combination of conductive patterns according to the pre-designed circuit schematic diagram.
FPC	means	Flexible Printed Circuit.
LED or LED device	means	Light-emitting diode, a conductor diode that emits incoherent light when current flows through it, and the recombination of electrons and electron holes in the semiconductor produces radiation, for the purpose of this Report, including LED particles, LED light bars, LED backlight modules, LED lighting devices and other LED products.
Mini LED	means	Sub-millimeter light emitting diode, an LED device with a grain size of about 50-200 μ m.
LCM	means	LCD module or LCD display module, formed by assembling LCD display device with the relevant connectors, control, driver and other peripheral circuits, PCB circuit board, backlight source, structural components and other components.

Touch panel	means	A device under the protection of transparent glass that detects touches using sensors, and processes and transmits the relevant information.
AOA	means	The Articles of Association of Suzhou Dongshan Precision Manufacturing Co., Ltd.
CSRC	means	The China Securities Regulatory Commission.
Reporting period	means	The period from January 1, 2024, to June 30, 2024.
RMB and RMB0'000	means	Renminbi and ten thousand Yuan respectively.

Section II Company Profile and Financial Highlights

I. Company Profile

Stock short name	DSBJ	Stock code	002384
Stock exchange	Shenzhen Stock Exchange		
Chinese name	苏州东山精密制造股份有限公司		
Chinese short name (if any)	东山精密		
English name (if any)	Suzhou Dongshan Precision Manufacturing Co., Ltd.		
English short name (if any)	DSBJ		
Legal representative	YUAN Yonggang		

II. Contact Person and Contact Information

	Board Secretary	Securities Affairs Representative
Name	MAO Xiaoyan	ZHOU Hao
Address	Building 12#, Yunhe Town Headquarters Industrial Park, 99 East Taihu Road, Wuzhong District, Suzhou, Jiangsu	Building 12#, Yunhe Town Headquarters Industrial Park, 99 East Taihu Road, Wuzhong District, Suzhou, Jiangsu
Telephone	0512-80190019	0512-80190019
Facsimile	0512-80190029	0512-80190029
Email	maoxy@dsbj.com	hao.zhou@dsbj.com

III. Other Information

1. Contact information of the Company

Whether there is any change in the Company's registered address, office address and corresponding postal code, website, and email address, etc. during the reporting period?

Applicable N/A

There has been no change in our registered address, office address and corresponding postal code, website and email address, etc., as detailed in the Annual Report 2023.

2. Media for information disclosure and place for keeping the Report

Whether there is any change in the media for information disclosure and place for keeping the report during the reporting period?

Applicable N/A

The website of the stock exchange and the media and its website disclosing our semi-annual report, as well as the place for keeping our semi-annual report remain unchanged, as detailed in the Annual Report 2023.

3. Other related information

Whether there is any change in other related information during the reporting period?

Applicable N/A

IV. Key Accounting Data and Financial Indicators

Did the Company need to retrospectively adjust or restate any accounting data of prior years?

Yes No

	The reporting period	The same period of the previous year	Y/Y % change
Operating revenue (RMB)	16,628,586,195.56	13,667,087,825.06	21.67%
Net profit attributable to shareholders of the Listed Company (RMB)	560,600,936.27	824,548,652.98	-32.01%
Net profit attributable to shareholders of the Listed Company after deduction of non-recurring gain or loss (RMB)	516,020,496.59	577,620,808.52	-10.66%
Net cash flow from operating activities (RMB)	2,088,969,399.28	2,613,900,836.02	-20.08%
Basic earnings per share (RMB/share)	0.33	0.48	-31.25%
Diluted earnings per share (RMB/share)	0.33	0.48	-31.25%
Weighted average return on net assets	3.05%	4.95%	-1.90%
	The end of the reporting period	The end of the previous year	% Change
Total assets (RMB)	45,619,022,558.56	44,371,719,028.28	2.81%
Net assets attributable to shareholders of the Listed Company (RMB)	18,171,951,396.35	18,143,026,745.54	0.16%

V. Differences in Accounting Data under the Chinese Accounting Standards for Business Enterprises (the “CASBEs”) and Overseas Accounting Standards

1. Differences in net profit and net assets disclosed in the financial report prepared under the CASBEs and the International Financial Reporting Standards (IFRS)

Applicable N/A

There was no difference in net profit and net assets disclosed in the financial report for the reporting period prepared under the CASBEs and the IFRS.

2. Differences in net profit and net assets disclosed in the financial report prepared under the CASBEs and overseas accounting standards

Applicable N/A

There was no difference in net profit and net assets disclosed in the financial report for the reporting period prepared under the CASBEs and overseas accounting standards.

VI. Items and Amounts of Non-recurring Gains or Losses

Applicable N/A

In RMB

Item	Amount	Remark
Gain or loss on disposal of non-current assets (including allowance for impairment of assets that has been written off)	-36,219,263.01	

Government grants recognized in profit or loss (excluding the government grants that are closely related to the business of the Company, conform to the applicable policies of the country, are provided in accordance with the established standards, and continuously affect the Company's profit or loss)	145,779,443.11	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities, and gain or loss on disposal of financial assets and financial liabilities, except for effective hedges held in the ordinary course of business	-59,013,703.39	
Other non-operating revenues and expenses	3,644,170.97	
Less: Effect on income tax	9,842,216.40	
Effect on minority interests (exclusive of tax)	-232,008.40	
Total	44,580,439.68	

Other items of gain or loss within the meaning of non-recurring gains or losses:

Applicable N/A

We do not have any other item of gain or loss within the meaning of non-recurring gains or losses.

Classification of any item of non-recurring gain or loss defined by the *Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities - Non-recurring Gain or Loss* as recurring gain or loss:

Applicable N/A

We have not classified any item of non-recurring gain or loss defined by the *Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities - Non-recurring Gain or Loss* as recurring gain or loss.

Section III Management's Discussion and Analysis

I. Situations of Our Primary Business during the Reporting Period

(I) During the reporting period, our primary business has not undergone any material change.

We focus on the R&D and manufacturing of core components for the intelligently interconnected world, and the provision of comprehensive intelligent interconnection solutions to customers all over the world. We are primarily engaged in the R&D, manufacturing and sale of PCBs, precision components, touch panel modules and LED display devices, which are widely used in consumer electronics, new energy vehicles, communication equipment, industrial equipment, AI, medical appliances and other fields.

(II) During the reporting period, our main business model has not undergone any material change.

We leverage our complete business chain to provide our customers with comprehensive, one-stop, industrial-leading services, continuously increase the depth of cooperation and adhesion with our customers, and maintain long-term, stable collaboration with premium customers taking the lead in the global consumer electronics, new energy vehicle and communication equipment industries.

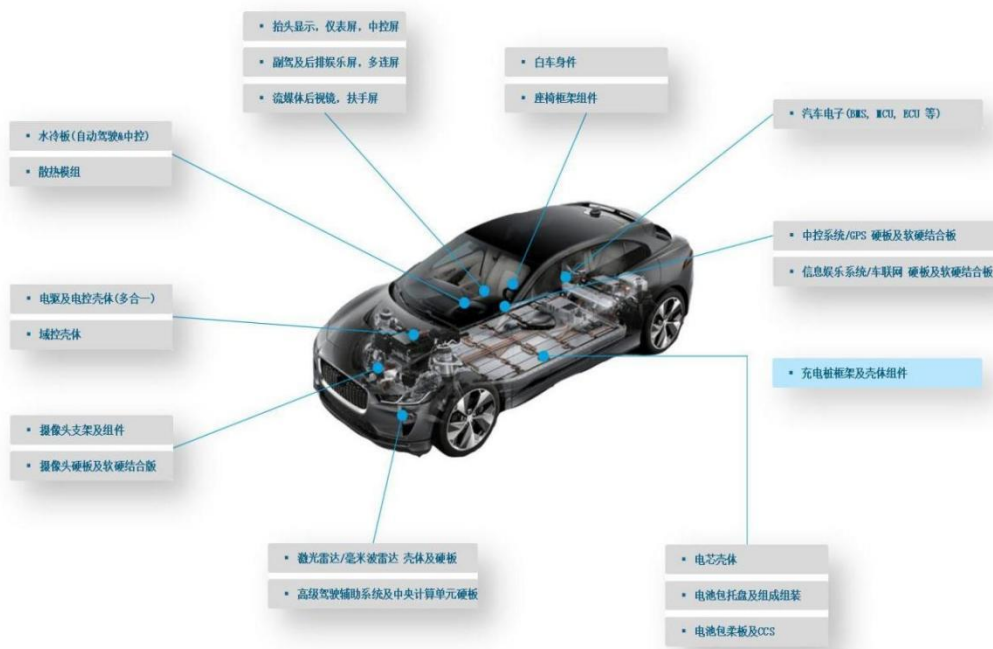
We manufacture main products based on market demands and adopt the production model that determines production according to sales, under which we develop production plans and deliver products taking into account the purchase orders placed by customers, the product quantities demanded by the customers under such purchase orders, as well as our production capacity and supply of raw materials.

(1) Our main products and their applications

No.	Product category	Product name	Product features	Application scenarios
1	PCBs	FPC	FPCs are printed circuit boards made of flexible substrates, composed of metal conductor foils, adhesives and insulating base films, which are light, thin, bendable and suitable for three-dimensional assembly, and optimal for electronic products with requirements for miniaturization, lightweight, and mobility.	Consumer electronics, new energy vehicles, communication equipment, industrial equipment, AI, servers, medical devices, etc.
		Rigid PCB	Rigid circuit boards are classified into single-layer boards, double-layer boards, ordinary multi-layer boards, high-layer boards, HDI boards and ELIC boards. Ordinary multi-layer boards typically have four or more layers; high-layer boards typically have more than 18 layers; HDI boards refer to high-density interconnect boards, which are capable of high-density wiring; ELIC boards refer to Every Layer Interconnection boards, which are high-end products in HDI boards. Generally, the more layers a PCB has, the better it is for achieving fast signal transmission and improving data processing performance.	
		Rigid-flex PCB	Rigid-flex PCBs combine FPCs and rigid PCBs through lamination and other processes according to the relevant process requirements, and have the features of both FPCs and rigid PCBs. Rigid-flex PCBs can be used in products with special requirements. As they have both flexible area and rigid areas, they can save internal space, reduce volume, and greatly improve the performance of the finished products.	
2	Precision components	Precision metal products	Precision metal components are formed through die casting, stamping, panel beating, precision machining and other processes to meet the customers' demand for precision, including functional structural components for new energy vehicles, base station antennas and filters for mobile communication, etc.	New energy vehicles, energy storage, communication equipment, consumer electronics, etc.

3	Touch panel modules	Touch panel	Touch panels and LCMs are important components for display modules of smart phones, tablets and other consumer electronic products. We are able to provide customers with touch panels, and LCMs as separate components, or complete touch display modules.	Smart phones, laptops, tablet PCs, smart watches, etc.
		LCM		
		On-board display module		
4	LED display devices	LED display devices are products formed by packaging LED chips and brackets with epoxy resin or organic silicon. Our LED display devices include 0606, 0808, 1010, 1515, 2121, 1921, 2525, 2727, and other models.		Indoor and outdoor small-pitch, high-definition displays, and other professional fields, and display backlight products

(2) Applications of our products in new energy vehicles



<ul style="list-style-type: none"> ● Cold plates (automatic drive and central control) ● Heat dissipation modules 	<ul style="list-style-type: none"> ● HUDs, dashboards, and central control displays ● Passenger/rear seat entertainment displays, and multi-connected displays ● Streaming electronic rearview mirrors, and armrest displays 	<ul style="list-style-type: none"> ● Body in white ● Seat framework assembly 	<ul style="list-style-type: none"> ● Automotive electronics (BMS, MCU, ECU, etc.)
<ul style="list-style-type: none"> ● Electric drive and electric control casings ● Domain control casings 			<ul style="list-style-type: none"> ● Rigid PCBs and rigid-flex PCBs for central control system/GPS ● Rigid PCBs and rigid-flex PCBs for information & entertainment systems/Internet of Vehicles
<ul style="list-style-type: none"> ● Camera brackets and assemblies ● Rigid PCBs and rigid-flex PCBs for cameras 	<ul style="list-style-type: none"> ● Casings and rigid PCBs for laser radars and millimeter wave radars ● Rigid PCBs for advanced driving assistance system and central computing unit 	<ul style="list-style-type: none"> ● Cell casings ● Battery pack trays and assemblies ● Rigid PCBs and CCS for battery packs 	<ul style="list-style-type: none"> ● Charging station framework and casing assemblies

(3) Our situation in the industry

In the field of PCB, according to the research data published by Prismark, in terms of sales revenues in 2023, we are ranked second in the field of FPC and third in the field of PCB in the world. We have strong technology R&D, quality control, and smart factory management capabilities in the PCB industry, and can provide customers with high-quality products and services. Our major PCB customers are well-known global consumer electronics and new energy vehicle manufacturers, so we have a good customer base and strong competitiveness.

In the field of precision components, we are one of the largest specialized precision component suppliers, provide structural components for new energy vehicles, communication equipment and other fields, and mainly serve well-known global new energy vehicle and communication equipment manufacturers. We have strong competencies in the industry and are one of the few vendors able to provide the new energy vehicle manufacturers with PCBs (including FPCs), on-board displays, functional and structural components, and other products and integrated solutions. In the future, we will leverage our advantages in the coverage of multiple industry chains and the provision of integrated solutions to further improve customer adhesion.

In the field of touch panel modules and LED display devices, we are one of the largest touch panel modules and LED display device manufacturers in China. With the completion of our acquisition and integration of Suzhou JDI, we further expand our on-board display module business and strengthen our overall competence in the field of touch panel modules.

II. Core Competencies of DSBJ

(I) Advantage in customers: Premium domestic and foreign customer base

Our products find favor with top customers in different areas throughout the world and have a premium customer base, which has a good demonstration effect and will help us further enhance our capability to develop new customers and acquire larger market shares in the future competition. Our customers come from consumer electronics, new energy vehicles, communication equipment and other industries. Such a diversified customer base enables us to fend off the impact of seasonal and cyclical fluctuations of different industries, and improve our core competencies while maintaining stable growth of business.

(II) Advantage in products: Wide range of products and integrated industry chain

In recent years, focusing on the R&D and production of core components related to consumer electronics and new energy industry, we have continuously improved our industrial and product mix through acquisitions and internal development, broken development bottlenecks, and introduced superior businesses to build up new growth drivers. At present, our product offerings cover three business segments, namely PCB, photoelectric display and precision manufacturing. We are able to provide consumer electronics and new energy vehicle manufacturers with a variety of basic and core components for intelligent interconnection. In the field of PCB, we have grown into a leading company in the industry. We actively leverage the synergistic effect of all business segments in R&D, technology, supply chain, products, marketing and other areas, through the integration of internal resources and coordinated development, gradually achieve the synergy advantage of a vertically integrated industry chain, and strive to provide comprehensive, one-stop and technologically advanced integrated product solutions to our customers and satisfy their customization requirements to the maximum extent.

(III) Advantage in technology: Stick to the principle that technological innovation capability is the primary production factor

We attach great importance to technological innovation in our business development and drive our development through innovation. Through participation in the preliminary development projects of industry-leading customers, we keep in step with the development of

cutting-edging technologies and have built a complete open R&D system and efficient R&D mechanisms, and a global R&D team with outstanding professional level, rich industrial experience and strong innovation capabilities. Through continuous funding for R&D of new materials, new technologies and new production processes, we have vigorously explored frontier production technologies for core components in the field of intelligent interconnection, and laid solid foundations for serving emerging businesses, such as AR/VR, IoT, Mini LED and new energy vehicles. While improving product technologies, we attach great importance to the innovation and upgrading of production technologies and have gained certain effects in the integrated development of informatization and industrialization. By promoting the integrated development of informatization and industrialization, we have vigorously implemented intelligent manufacturing and built smart factories.

(IV) Advantage in management: Advanced concept, complete system and efficient execution

We advocate the corporate spirit of “openness, inclusion and pragmatism”, stick to the management principle of “overall planning, the delegation of powers in business operation, support by the platform and centralized supervision”, give full play to the initiative and creativity of all organizations, and have built a scientific and efficient management system. Our management team has practical experience in the management of the advanced manufacturing industry, has wide global visions, can make accurate strategic judgments and decisions on the trends of industry and opportunities for development, and has strong cohesion and executive ability. We embrace a pragmatic and enterprising approach in day-to-day management and operation, make periodic benchmarking analyses to compare our performance against historic data, budget targets and the results of outstanding peers, and effectively improve the quality and efficiency of our operations and timely adjust our operational strategy, by setting examples and objectives, identifying breakthrough points, focusing on implementation and reviewing what has been done, to lay solid foundations for our sustainable high-quality development.

(V) Advantage in scale: Promote development in reliance on advantage in scale and increase benefits based on synergistic effect

Our customers are well-known domestic and international hi-tech companies that have high purchase quantities, strict requirements for the delivery of products, and high requirements for the scale of production and production efficiency of suppliers. Through years of development and accumulation, we have grown into a supplier of core components for intelligent interconnection with relatively strong overall capabilities in China. Our large scale of production can satisfy the purchase demands of major downstream customers, creating a big advantage in scale. Our advantage in scale provides us with strong bargaining power in the purchase of raw materials, resulting in the reduction of the unit production costs. On the other hand, through effective integration of internal resources, we can reduce operating costs, thereby increasing our superiority over our competitors, further consolidating and enhancing our position in the industry, and improving our core competencies.

(VI) Advantage in internationalization: Promote the establishment of a “dual circulation” development pattern

We closely follow the national development strategies, actively take part in global economic competitions, and continuously enhance the integration of high-quality resources of the industry. After the completion of two overseas acquisitions, we have successfully entered the PCB industry that has broader prospects for development, optimized our industrial structure, and laid solid foundations for our high-quality development. We have achieved growth in both scale of operation and results of operations through such lead-forward development. In recent years, we have established operating entities with different functions in North America, Europe, Southeast Asia and other countries and regions. In 2022, to implement our new-round development strategy and grasp the development opportunities brought about by the new energy vehicle industry, we established the “two-wheel drive” strategy and decided to focus our efforts on the two core fields, namely consumer electronics and new energy vehicles. To actively respond to the demands of customers, we have accelerated the construction and production of overseas production bases. These actions will further improve our global operating capabilities, promote the establishment of a “dual circulation” development pattern, and enable us to actively cope with the complicated competition environment.

III. Analysis of Primary Business

In the first half of 2024, we have been proactive in adapting to and integrating with the new economic development cycle with the rapid emergence of new products and technologies, etc., amidst multiple opportunities and challenges. Leveraging thorough market research and analysis, we have maintained a steadfast approach and resilience, reinforcing our strategic resolve and organizational capabilities for corporate growth. Adhering to our strategic vision and a commitment to high-quality and sustainable operation, we have vigorously invested in research and development, and intensified our efforts in nurturing and recruiting key talents, with our comprehensive initiatives encompassing industrial restructuring, innovation in product portfolio, expansion of customer base, integration of information technology and industrialization, and management of costs. During the reporting period, our core business of PCB has seen steady growth, while our new energy business has progressed in an orderly fashion. For the first six months of 2024, we recorded an operating revenue of RMB16,628,586,200, a year-on-year increase of 21.67%. However, the significant non-recurring revenue in the same period of the previous year, coupled with the exchange rate fluctuations and the ramp-up of new product mass production, has exerted certain pressures on our current period's financial performance. Consequently, for the reporting period, we have achieved a net profit of RMB560,600,900, reflecting a year-on-year decrease of 32.01%. Our main endeavors from January to June 2024 can be seen as follows:

I. Core business strengths and organic growth

In the PCB sector, we have adeptly seized the opportunities presented by industry development. We maintain a consistent and stable presence in our core customer base, industry forecast, product technology, and production capacity planning, allowing us to fortify our competitive edge and expand our field into broader market segments. With the advent of AI, we have intensified our R&D efforts in the creation of PCB (including FPC) products tailored for AI servers, cloud computing, and automotive sector, among others, and are proactively engaging with new customer development. By ongoing investment in R&D to bolster our technological prowess, we are actively positioning ourselves at the forefront of innovative technology products, to capitalize on emerging industry trends and embrace the dawn of a new era of sci-tech innovation.

II. Rapid growth of emerging businesses and enhanced development resilience

During the reporting period, our new energy sector achieved a revenue of RMB3.81 billion, a year-on-year increase of approximately 29.33%, further elevating its share in our overall revenue. We have taken various measures to mobilize resources, strengthen internal and external collaboration, and implement agile marketing strategies, fostering a positive trajectory for our new energy business which has become a robust engine propelling us towards a future of sustainable development. With the gradual release of new production capacity and the smooth delivery of new products, our consumer electronics and new energy businesses have synergized to form a resilient portfolio, laying a solid foundation for our high-quality development.

III. Concentration on high-quality revenue streams and adjustment to non-core businesses

In the intricate and dynamic competitive landscape of our industry, we observed a plateau in the operational efficiency of our non-core businesses, particularly in the LED sector. To address this, we have promptly realigned our business strategy, by implementing a lean management approach to drive continuous cost reduction and efficiency improvement across the entire value chain on the one hand, and making adjustments to our customer and product portfolios, as well as our operation mode, on the other hand, to ensure the steady development of the business sector in the pursuit of an early success.

IV. Innovative talent pool cultivation and organizational capabilities improvement

We are committed to creating a people-centric culture, attracting and retaining top-tier talent from across the globe. Aligned with our strategic vision and bolstered by our industry operations, we are dedicated to building an agile and efficient organizational structure.

Through internal development programs and external hiring initiatives, we ensure a steady pipeline of talents for our critical roles, and further strengthen our organizational capabilities, which helps achieve effective business growth, thereby bringing a win-win situation for both the Company and the employees.

V. Efficient business-finance integration system and data governance

Constructing an efficient business-finance integration system and enhancing operational management efficiency based on data governance are essential for sustainable development and continuous upgrading of our enterprise. With great emphasis on this regard, we have made active deployment, accordingly, deeply integrating business and financial data through a unified information platform, actively optimizing resource allocation within the enterprise, enhancing the scientific rigor and precision of our business decisions, and implementing strict risk control for comprehensive business oversight, to support our ongoing enhancement and optimization.

Year-on-year changes in key financial data

In RMB

	The reporting period	The same period of the previous year	Y/Y % change	Reason for change
Operating revenue	16,628,586,195.56	13,667,087,825.06	21.67%	
Operating cost	14,455,695,057.51	11,831,369,939.99	22.18%	
Selling expenses	198,461,411.65	170,543,696.07	16.37%	
Administrative expenses	513,932,018.38	427,064,667.98	20.34%	
Financial expenses	-27,540,920.14	-39,094,547.94	29.55%	Mainly due to exchange rate fluctuations during the same period of the previous year, resulting in exchange gains.
Income tax expenses	124,174,716.66	121,848,672.48	1.91%	
Net cash flows from operating activities	2,088,969,399.28	2,613,900,836.02	-20.08%	
Net cash flows from investing activities	-1,813,918,499.58	-3,422,844,648.27	47.01%	Mainly due to the acquisition of Suzhou JDI and Aranda in the same period of the previous year to improve industrial layout, and a significant decrease in cash payments for the acquisition and construction of fixed assets and intangible assets in the current period.
Net cash flows from financing activities	35,241,082.03	560,451,468.64	-93.71%	Mainly due to the increase in cash received from loans for mergers and acquisitions and other projects in the same period of the previous year.
Net increase in cash and cash equivalents	406,867,075.93	163,708,277.65	148.53%	Mainly due to a significant decrease in cash flows from investing activities in the current period.

Whether there is a significant change in the components or sources of profits during the reporting period of the Company?

Applicable N/A

There have been no significant changes in the components or sources of profits during the reporting period of the Company.

Components of operating revenue

In RMB

	The reporting period		The same period of the previous year		Y/Y % change
	Amount	% of operating revenue	Amount	% of operating revenue	
Total operating revenue	16,628,586,195.56	100%	13,667,087,825.06	100%	21.67%
By segment					
Computer, communication and others	16,521,772,107.69	99.36%	13,595,558,213.91	99.48%	21.52%
Others	106,814,087.87	0.64%	71,529,611.15	0.52%	49.33%
By product					
PCBs	10,850,236,100.11	65.25%	8,972,283,939.36	65.65%	20.93%
LED display devices	437,960,520.69	2.63%	419,906,375.52	3.07%	4.30%
Touch panels and LCMs	3,122,349,556.40	18.78%	2,218,634,131.10	16.23%	40.73%
Precision components	2,111,225,930.49	12.70%	1,984,733,767.93	14.52%	6.37%
Others	106,814,087.87	0.64%	71,529,611.15	0.52%	49.33%
By region					
Domestic market	3,206,081,274.20	19.28%	2,663,920,474.21	19.49%	20.35%
Overseas market	13,422,504,921.36	80.72%	11,003,167,350.85	80.51%	21.99%

Segments, products, or regions representing more than 10% of operating revenue or profit

Applicable N/A

In RMB

	Operating revenue	Operating cost	Gross margin	Y/Y % change in operating revenue	Y/Y % change in operating cost	Y/Y % change in gross margin
By segment						
Computer, communication and others	16,521,772,107.69	14,408,130,744.18	12.79%	21.52%	22.11%	-0.42%
By product						
PCBs	10,850,236,100.11	8,961,485,051.28	17.41%	20.93%	23.08%	-1.44%
LED display devices	437,960,520.69	555,725,301.97	-26.89%	4.30%	-9.94%	20.06%
Touch panels and LCMs	3,122,349,556.40	2,998,825,987.36	3.96%	40.73%	35.91%	3.41%
Precision components	2,111,225,930.49	1,892,094,403.57	10.38%	6.37%	11.65%	-4.24%
By region						
Domestic market	3,206,081,274.20	3,073,410,884.20	4.14%	20.35%	26.12%	-4.38%
Overseas market	13,422,504,921.36	11,382,284,173.31	15.20%	21.99%	21.16%	0.58%

Note:

- During the reporting period, the gross margin on LED display devices decreased by 20.06% compared to the previous year, mainly due to the significant impact of price reductions in the same period of the previous year. Meanwhile, during the reporting period, the Company actively adjusted its business strategy, gradually improving operational efficiency and significantly reducing losses.
- During the reporting period, the overall revenue from the new energy business was approximately RMB3.81 billion, a year-on-year increase of about 29.33%.

In case of any adjustment to the statistic scale for primary business data, the primary business data of the most recent reporting period as adjusted according to the statistic scale applied at the end of the reporting period:

Applicable N/A

IV. Analysis of Non-primary Business

Applicable N/A

V. Analysis of Assets and Liabilities

1. Material changes in the components of assets

In RMB

	The end of the reporting period		The end of the previous year		Y/Y % change	Reason for significant change
	Amount	% of total assets	Amount	% of total assets		
Cash and bank balances	7,954,476,596.69	17.44%	7,190,036,231.06	16.20%	1.24%	
Accounts receivable	6,634,848,769.35	14.54%	7,713,164,772.05	17.38%	-2.84%	
Inventories	6,191,742,129.70	13.57%	6,293,879,276.54	14.18%	-0.61%	
Investment properties	909,984.68	0.00%	1,038,840.26	0.00%	0.00%	
Long-term equity investment	151,095,048.38	0.33%	155,406,879.89	0.35%	-0.02%	
Fixed assets	12,712,146,406.50	27.87%	12,415,251,689.80	27.98%	-0.11%	
Construction in progress	2,212,779,454.69	4.85%	1,842,525,188.54	4.15%	0.70%	
Right-of-use assets	1,268,794,116.83	2.78%	1,252,668,050.83	2.82%	-0.04%	
Short-term borrowings	5,605,192,891.45	12.29%	5,156,100,217.01	11.62%	0.67%	
Contract liabilities	47,925,820.33	0.11%	28,982,676.07	0.07%	0.04%	Primarily due to the increase in consideration received or receivable from customers recognized in accordance with the revenue standards during the reporting period.
Long-term borrowings	5,230,423,595.11	11.47%	4,706,280,338.76	10.61%	0.86%	
Lease liabilities	1,880,994,634.25	4.12%	1,842,799,193.80	4.15%	-0.03%	

2. Main overseas assets

Applicable N/A

In RMB

Assets	Method of acquisition	Amount	Location	Mode of operation	Controls for	Income	Proportion of overseas	Whether it involves

					guaranteeing the security of assets		assets to net assets	risk of material impairment loss
Dragon Holdings	Established	23,286,696,469.94	USA	R&D and sales	Its manufacturing entity is located in China	504,108,042.99	38.50%	No
Multek Group	Established	4,591,758,824.18	Hong Kong, China	R&D and sales	Its manufacturing entity is located in China	64,491,255.47	14.72%	No

3. Assets and liabilities at fair value

Applicable N/A

In RMB

Item	Opening balance	Gain or loss on changes in fair value	Aggregate changes in fair value recorded in equity	Impairment loss recognized in the current period	Amount acquired in the current period	Amount sold in the current period	Other changes	Closing balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	47,442,038.61					1,628,643.87		45,813,394.74
2. Derivative financial assets	26,920,185.50	878,826.55	-5,788,330.68		332,547,414.10	328,775,586.82		25,782,508.65
4. Investment in other equity instruments	71,779,147.66				10,712,107.78	13,171,126.62		69,320,128.82
Subtotal of financial assets	146,141,371.77	878,826.55	-5,788,330.68		343,259,521.88	343,575,357.31		140,916,032.21
Total	146,141,371.77	878,826.55	-5,788,330.68		343,259,521.88	343,575,357.31		140,916,032.21
Financial liabilities	104,174,076.23	15,944,462.47	168,116,100.36			107,659,497.52		180,575,141.54

Is there a significant change in the measurement attributes for the Company's main assets during the reporting period?

Yes No

4. Restrictions on assets as of the end of the reporting period

In RMB

Item	Closing balance				Opening balance		
	Book balance	Carrying value	Type of restriction	Reason of restriction	Book balance	Carrying value	Type of restriction
Cash and bank balances	1,903,122,502.45	1,903,122,502.45	Pledge	Security deposit for notes, etc.	1,315,351,783.39	1,315,351,783.39	Pledge

								for notes, etc.
Notes receivable	115,000,000.00	115,000,000.00	Pledge	Discounted and not mature	130,000,000.00	130,000,000.00	Pledge	Discounted and not mature
Fixed assets	784,051,228.85	354,652,169.33	Mortgage	Security for loans, sales and leaseback	784,051,228.85	418,641,701.59	Mortgage	Security for loans, sales and leaseback
Accounts receivable financing	85,726,047.96	85,726,047.96	Pledge	Pledge of notes	172,685,965.02	172,685,965.02	Pledge	Pledge of notes
Right-of-use assets	1,594,403,240.92	1,268,794,116.83	Mortgage	Finance lease	1,535,413,001.39	1,252,668,050.83	Mortgage	Finance lease
Accounts receivable			Pledge	Factoring	96,168,092.66	96,168,092.66	Pledge	Factoring
Total	4,482,303,020.18	3,727,294,836.57			4,033,670,071.31	3,385,515,593.49		

VI. Analysis of Investments

1. Overview

Applicable N/A

Amount of investment in the reporting period (RMB)	Amount of investment in the same period of the previous year (RMB)	Y/Y % change
568,500,000.00	462,235,700.00	22.99%

2. Major equity investments acquired during the reporting period

Applicable N/A

3. Major non-equity investments that have not yet been completed in the current period

Applicable N/A

4. Investment in financial assets

(1) Investment in securities

Applicable N/A

We have not invested in any securities during the reporting period.

(2) Investment in derivatives

Applicable N/A

1) Investment in derivatives for hedging purposes during the reporting period

Applicable N/A

In RMB0'000

Type of investment in derivatives	Initial investment amount	Opening balance	Gain or loss on changes in fair value	Aggregate changes in fair value recorded in equity	Amount acquired in the current period	Amount sold in the current period	Closing balance	% of net assets at the end of the reporting period
Commodity futures	16,561.58	9,940.16	2,087.93	0	39,793.46	26,466.08	25,355.47	0.55%
Total	16,561.58	9,940.16	2,087.93	0	39,793.46	26,466.08	25,355.47	0.55%
Hedge accounting policies and principles adopted for the reporting period and significant changes in such policies and principles compared to the previous reporting period	None							
Actual profit or loss for the reporting period	The loss on commodity futures transactions recorded in profit or loss was RMB20,879,300.							
Effect of hedging	We prohibit any risky speculative behavior for the purpose of locking in costs and avoiding the risks of commodity price fluctuations, in order to better avoid the risks associated with commodity price fluctuations and enhance our financial soundness.							
Source of funds for investment in derivatives	Self-owned funds							
Analysis of risks associated with the derivatives held in the current period (including without limitation market risk, liquidity risk, credit risk, operational risk and legal risk) and related risk control measures	Refer to the Announcement of Commodity Futures Hedging Transactions (2023-074) disclosed by us on December 30, 2023, for the relevant risk analysis and controls.							
Changes in the market price or fair value of the derivatives held in the current period (in the analysis of the fair value of derivatives, the specific approaches, assumptions and parameters used shall be disclosed)	We are mainly engaged in hedging transactions with mainstream products on major domestic futures markets. The derivatives traded by us have a transparent and active market, and their transaction prices and settlement prices can fully reflect their fair value.							
Litigation involved (if applicable)	N/A							
Disclosure date of the announcement of the board of directors approving the investment in derivatives (if any)	December 30, 2023							

5. Use of offering proceeds

Applicable N/A

(1) Summary of use of offering proceeds

☑Applicable ☐N/A

In RMB0'000

Year of offering	Method of offering	Total offering proceeds	Net offering proceeds	Total amount of offering proceeds used in the current period	Aggregate amount of offering proceeds already used	Total amount of offering proceeds the purpose of which was changed in the current period	Aggregate amount of offering proceeds the purpose of which has been changed	Percentage of offering proceeds the purpose of which has been changed	Total amount of unused offering proceeds	Purpose and whereabouts of unused offering proceeds	Total amount of offering proceeds that has remained unused for more than two years
2020	Private placement	289,225.58	286,395.39	9,468.97	270,604.33	22,449.78	84,015.25	29.05%	16,613.54	Continuous investment	
Total	--	289,225.58	286,395.39	9,468.97	270,604.33	22,449.78	84,015.25	29.05%	16,613.54	--	0

Description of the overall use of offering proceeds

With the approval of the CSRC under the Reply on Approval of Private Placement of Shares by Suzhou Dongshan Precision Manufacturing Co., Ltd. (Zheng Jian Xu Ke [2020] No. 980), we privately offered 103,294,850 RMB-denominated ordinary A-shares at the offer price of RMB28.00 per share to specified investors through the lead underwriter Tianfeng Securities Co., Ltd., and raised RMB2,892,255,800 in total, and after deduction of the underwriter's fee and sponsor's fee totaling RMB22,169,800 (exclusive of tax), the balance of the offering proceeds, RMB2,868,755,800, was remitted to our supervisory account of offering proceeds by Tianfeng Securities Co., Ltd. on July 13, 2020. After the deduction of the accountant's fee, attorney's fee, legal information disclosure fee and other external costs directly relating to the offering of equity securities, totaling RMB6,132,100 (exclusive of tax), the amount of net offering proceeds was RMB2,863,953,900 (exclusive of tax). Pan-China Certified Public Accountants LLP verified the receipt of such offering proceeds and issued the Capital Verification Report (PCCPA Capital Verification [2020] No. 5-9).

(2) Committed investment projects using offering proceeds

☑Applicable ☐N/A

In RMB0'000

Committed investment project and use of over-raised funds	Whether the project has been changed or partially changed	Total committed investment amount	Total investment amount as adjusted (1)	Amount invested in the current period	Aggregate amount already invested as of the end of the reporting period (2)	Progress of investment as of the end of the reporting period (3) = (2)/(1)	Date that the project is ready for its intended use	Income earned in the current period	Whether the project has produced the desired result	Whether there's any significant change in the feasibility of the project
Committed investment project										

400,000 m ² fine line FPC production and assembly capacity expansion project	No	80,338.48	80,338.48		79,798.34	99.33%	January 5, 2022	10,377.99	Yes	No
Ultra-fine circuit board project of MFLEX Yancheng	No		22,449.78	5,845.98	5,845.98	26.04%			N/A	No
Multek 5G high-speed high-frequency and high-density PCB technology upgrading project	Yes	65,958.46	43,508.68	3,622.99	43,312.7	99.55%		1,678.42	No	Yes
Multek PCB production line technology upgrading project	No	72,805.89	72,805.89		71,858.33	98.70%	April 19, 2023	4,495.13	Yes	No
FPC for new energy application and assembly project of MFLEX Yancheng	No		61,565.47		61,368.3	99.68%	August 24, 2023	3,032.61	Yes	No
Wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.	Yes	70,122.75	8,557.28		8,420.68	98.40%			N/A	Yes
Subtotal	--	289,225.58	289,225.58	9,468.97	270,604.33	--	--	19,584.15	--	--
Use of over-raised funds										
None										
Total	--	289,225.58	289,225.58	9,468.97	270,604.33	--	--	19,584.15	--	--
Failure to meet the scheduled progress and produce the desired result and reason thereof (please describe on a project-by-project basis, including the reason for selecting N/A in the column “whether the project has produced the desired result”)	<p>Affected by the international environment in terms of chip supply, technical support, equipment procurement and market prospect, among others in China’s 5G industry, the progress of the 5G project construction in China was slowed down. In light of other factors such as changes in domestic and international economic environment and market demand, and intensified competition within the industry, etc., the benefit of the “Multek 5G high-speed high-frequency and high-density PCB technology upgrading project” grew slowly and fell short of expectation. Therefore, during the reporting period, we changed the “Multek 5G high-speed high-frequency and high-density PCB technology upgrading project” into the “ultra-fine circuit board project of MFLEX Yancheng”.</p>									

Reason for significant change in the feasibility of the project	<p>1. Under the effect of changes in the macroeconomic environment and the international environment in recent years, the progress of the 5G project construction in China was slowed down and failed to meet the expectation. In light of other factors such as changes in domestic and international economic environment and market demand, and intensified competition within the industry, etc., the progress of investment in the original “Multek 5G high-speed high-frequency and high-density PCB technology upgrading project” was slow. Therefore, in order to improve the efficient use of offering proceeds, we have decided to cease the production and construction of such change, and to change the same into the “ultra-fine circuit board project of MFLEX Yancheng”.</p> <p>2. Due to the bottleneck in the development of 5G communication, weak downstream demands and other unfavorable factors, the progress of the “Wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.” fell short of expectations. In light of the rapid development of the new energy vehicle market and rising demands of the on-board FPC market, as a component supplier for the international leading new energy vehicle manufacturers, we need to further improve our industrial deployment, capability to serve the downstream customers, and overall competencies. Therefore, in order to ensure the efficient use of offering proceeds, we have decided to change the “wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.” into the “FPC for new energy application and assembly project of MFLEX Yancheng”.</p>
Amount and use of over-raised offering proceeds and progress of use thereof	N/A
Change in the place of the committed investment project	N/A
Adjustment of the method of implementation of the committed investment project	N/A
Funds pre-invested in the investment project and replacement thereof	<p>Applicable</p> <p>At the 3rd meeting of the 5th Board of Directors, the Proposal for Replacing the Self-raised Funds Pre-invested in the Committed Investment Projects with the Idle Offering Proceeds was considered and adopted, approving the replacement of the funds of RMB 399,591,400 pre-invested in the committed investment projects with the offering proceeds. The replacement was completed in 2020.</p>
Temporary replenishment of working capital with the idle offering proceeds	<p>Applicable</p> <p>At the 2nd meeting of the 6th Board of Directors held on June 12, 2023, the Proposal for Temporary Replenishment of Working Capital with the Idle Offering Proceeds was considered and adopted, approving the temporary replenishment of working capital with the idle offering proceeds up to RMB250 million. As of June 30, 2024, we have returned all of the above idle offering proceeds temporarily replenishing the working capital to the dedicated account of offering proceeds.</p>
Amount of surplus offering proceeds and reason thereof	<p>Applicable</p> <p>The “400,000 m2 fine line FPC production and assembly capacity expansion project”, the “Multek PCB production line technology upgrading project” and the “FPC for new energy application and assembly project of MFLEX Yancheng” have been completed with the investment as committed. RMB6,651,800, or 0.23%, of the offering proceedings designated for these projects were left unused. Such surplus was achieved because we followed the principle of reasonableness, economy and effectiveness, used the offering proceeds prudently, enhanced control, supervision and management of all kinds of expenses, reasonably allocated and optimized all kinds of resources, and reasonably reduced the relevant costs and expenses. In addition, we earned certain interest income from the offering proceeds.</p>
Purpose and whereabouts of unused offering proceeds	<p>As of June 30, 2024, the amount of unused offering proceeds was RMB172,787,200, of which, RMB166,135,400 was deposited in the dedicated account of offering proceeds, and the surplus offering proceeds of RMB6,651,800 after the completion of projects used to permanently replenish the working capital.</p>
Problems or other situations in the use and disclosure	None

of offering proceeds	
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(3) Changes in the committed investment projects using offering proceeds

☑Applicable ☐N/A

In RMB0'000

New project	Original committed project	Amount of offering proceeds to be invested in the new project (1)	Amount invested in the current period	Aggregate amount already invested as of the end of the reporting period (2)	Progress of investment as of the end of the reporting period (3) = (2)/(1)	Date that the project is ready for its intended use	Income earned in the current period	Whether the project has produced the desired result	Whether there's any significant change in the feasibility of the project
Ultra-fine circuit board project of MFLEX Yancheng	Multek 5G high-speed high-frequency and high-density PCB technology upgrading project	22,449.78	5,845.98	5,845.98	26.04%			N/A	No
FPC for new energy application and assembly project of MFLEX Yancheng	Wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.	61,565.47	0	61,368.3	99.68%	August 24, 2023	3,032.61	Yes	No
Total	--	84,015.25	5,845.98	67,214.28	--	--	3,032.61	--	--

Reason for change, decision-making procedures and information disclosure (please describe on a project-by-project basis)

1. Regarding the original "Multek 5G high-speed high-frequency and high-density PCB technology upgrading project" which was mainly intended for the field of mobile communication, we arranged the investment schedule based on market demand, with the amount of input primarily used for equipment purchase and installation. The related assets can still be used in the future, in furtherance of our overall automation level and production efficiency. Meanwhile, the project had come into service and generated investment benefits. However, due to the impact of the international environment on chip supply, technical support, equipment procurement, and market prospects of China's 5G industry, etc., the progress of 5G project construction in China was slowed down. In light of other factors such as changes in domestic and international economic environment and market demand, as well as intensified competition within the industry, the investment in the project showed

	<p>slow progress. Therefore, we have decided to change such project into the “ultra-fine circuit board project of MFLEX Yancheng”. The corresponding change in the use of offering proceeds was approved at the 9th meeting of the 6th Board of Directors and the 7th meeting of the 6th Board of Supervisors held on April 16, 2024, and the annual general meeting in 2023 held on May 10, 2024, which has been disclosed on www.cninfo.com.cn, and our designated newspapers for information disclosure.</p> <p>2. Due to the bottleneck in the development of 5G communication, weak downstream demands and other unfavorable factors, the progress of the “wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.” fell short of expectations. In light of the rapid development of the new energy vehicle market and rising demands of the on-board FPC market, as a component supplier for the international leading new energy vehicle manufacturers, we need to further improve our industrial deployment, capability to serve the downstream customers, and overall competencies. Therefore, in order to ensure the efficient use of offering proceeds, we have decided to change the “wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.” into the “FPC for new energy application and assembly project of MFLEX Yancheng”. Such change in the use of offering proceeds was approved at the 19th meeting of the 5th Board of Directors and the 13th meeting of the 5th Board of Supervisors held on February 17, 2022, and the first extraordinary general meeting in 2022 held on March 8, 2022, and disclosed on www.cninfo.com.cn, and our designated newspapers for information disclosure.</p>
Failure to meet the scheduled progress and produce the desired result and reason thereof (please describe on a project-by-project basis)	N/A
Reason for significant change in the feasibility of the project	N/A

VII. Sale of Material Assets and Equities

VIII. Analysis of Major Subsidiaries and Associates

Applicable N/A

Major subsidiaries and associates representing more than 10% of the net profit of the Company:

In RMB

Company name	Type of company	Primary business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Dragon Holdings	Subsidiary	Design, R&D, sale and after-sale services in respect of PCBs; investment holding	USD113,450,100	23,286,696,469.94	7,012,087,155.34	17,150,298,346.87	607,153,066.63	504,108,042.99
Multek Group	Subsidiary	R&D, sale and after-sale services in respect of PCBs; investment holding	USD218,248,360.27	4,591,758,824.18	2,680,181,701.78	1,936,419,646.79	77,877,604.47	64,491,255.47

IX. Structured Entities Controlled by the Company

Applicable N/A

X. Risk Exposures to the Company and Countermeasures

1. Risk of concentration of customers

We have good customer resources. Our major customers are well-known domestic and international companies in the relevant industries that are of sound credit and have established stable cooperation relationships with us. However, our top 5 customers constitute a large proportion of our total sales revenue, which may further increase in the future. Any material adverse change in the business situation of such major customers could have an adverse effect on our business.

We will give full play to our advantages, make active deployment in the new energy and other emerging industries and strive to develop new customers, in order to mitigate the adverse effect of the relative concentration of customers on us.

2. Risks brought by rapid technology upgrading of the industry

Our business covers PCB, photoelectric display, precision manufacturing and other technology-intensive industries, and our products are widely applied in consumer electronics, new energy vehicles, communication equipment, industrial equipment, and other fields, all of which are characterized by rapid technology upgrading. If our R&D and manufacturing capabilities fail to keep pace with the rapid technology upgrading of downstream products, our products and technologies may become obsolete.

We will follow up on the new technologies and new processes of the industry from the strategic perspective and strive to keep our technologies and processes at the advanced level through continuous and effective R&D funding.

3. Risk of changes in the global trade environment

Our major customers include some well-known international companies, and our export sales have grown steadily for years. Though China has established good economic and trade cooperation relationships with major countries in the world, the increasingly fierce regional frictions in recent years may cause uncertainties in the applicable trade policies, which could affect our international trade.

We will follow up on the development of international trade frictions, strengthen communication with our customers, and continue to foster our competencies and customer adhesion.

4. Risk of market exploitation

We are a strong R&D and manufacturing enterprise in the fields of PCB, photoelectric display and precision manufacturing. Due to our stable product quality and efficient customer services, we have remarkable competencies, and are able to provide the downstream enterprises with “one-stop” products and services, and satisfy their demands for systemic manufacturing solutions. However, our downstream industries are characterized by rapid upgrading and rapid changes in the preferences of consumers, among others. If our

major customers are at a disadvantage in the market, or we are unable to satisfy the demands of customers or fail to acquire new customers, the sales and margin rate of our products may decrease.

We will continue to increase R&D funding, optimize our product mix and process structure, enhance our competencies, and actively cope with market competition.

5. Environmental risk

In our production, the electroplating, etching and other processes produce wastewater, waste gases and solid wastes, and therefore are subject to strict requirements for environmental protection. We cannot exclude the possibility that environmental incidents may happen during our production due to negligence in management, force majeure or otherwise. If we meet with any environmental incident, that cause pollution to the environment or violates the applicable environmental protection laws and regulations, our reputation and operations could be adversely affected. Along with the vigorous development of a green and low-carbon circular economic development system and improvement of people's living standard in China, and increasingly enhanced awareness of environmental protection of people, the country attaches increasingly great importance to environmental protection. If the country puts forward stricter environmental protection requirements, we may need to increase the funding for environmental protection, which would increase our environmental protection costs and in turn affect our results.

We have set the building of an environment-friendly enterprise as a key goal of our sustainable development strategy, attached great importance to and increased the funding for environmental protection in our production and operation, actively responded to the requirements of the latest environmental protection laws and regulations, enhanced environmental protection training and employees' awareness of environmental protection, taken control measures at source, established and improved the environmental management system, and implemented the requirements related to environmental safety in all of our key business activities, to reduce the environmental risks.

6. Foreign exchange risk

Export sales constitute a large proportion of our total sales revenue. Because our day-to-day operation involves transactions in USD and other foreign currencies, and our consolidated accounts are presented in RMB, the changes in the exchange rate between RMB and USD may cause foreign exchange risk to our future operations.

We will pay close attention to the changes in the relevant foreign exchange rates, strive to control the exposure to foreign exchange risk at a reasonable level, and hedge or otherwise reduce exposure to such risk.

7. Quality control risk of auto parts products

The new energy automobile industry in which we are engaged is subject to a strict quality management and product certification system. Vehicle manufacturers have extremely high requirements for the quality and safety of auto parts products, taking product quality as an important indicator for them to choose auto parts suppliers.

In response, we will improve the construction of a quality management system, strictly control the procurement of raw materials, production process and product testing, and establish a sound traceability mechanism, for the sake of timely recall and handling in case of problems. Meanwhile, we will have closer cooperation with and strengthen supervision over suppliers to ensure stable and reliable quality of auto parts.

XI. Implementation of the Action Plan to Improve the Quality and Returns

Whether the Company has disclosed its action plan announcement to improve the quality and returns?

Yes No

I. Focus on the primary business, and adhere to the “two-wheel drive” strategy

For decades, we have focused on expanding and optimizing our primary business through internal development and acquisitions, and gradually formed three industrial segments, namely PCB, photoelectric display and precision manufacturing. Our products are widely used in consumer electronics, new energy vehicles, communication equipment, industrial equipment, AI, servers, medical appliances and other fields. In recent years, leveraging our technical advantages accumulated in the fields of consumer electronics and communication equipment, we have actively explored the wholly new field of new energy vehicles with a view to making contributions to the green transition of the global energy structure, and built an industrial development pattern with consumer electronics and new energy vehicle business at the core.

In the field of consumer electronics, we have closely followed the steps of leading customers in strategic innovation, actively expanded global deployment while maintaining superior products, and through the improvement of technical capabilities, increased the application of our PCB products in emerging fields. In the field of new energy vehicles, in response to the demands of our customers, we have actively promoted the construction of domestic and overseas production bases, completed the acquisition of Suzhou JDI and US Aranda, continuously expanded our production lines, and strived to provide the customers with one-stop products and services. Between January and September 2023, we recorded an operating revenue of RMB22.501 billion and a net profit of RMB1.333 billion attributable to the shareholders of the Listed Company, maintaining strong profitability; we also continuously optimized the structure of our core business, recorded a sales revenue of about RMB4.5 billion from the new energy business, and further increased the proportion of products with higher growth potentials in our operating revenues and profits. In the future, in order to promote our long-term and high-quality development and implement our corporate strategy to focus on the two key fields of consumer electronics and new energy vehicles, we will further increase the production capacity of high-end PCB products and precision structural component products, strive to satisfy the customer demands for supply chain management and innovative products in the fields of consumer electronics and new energy vehicles, supply core products to key customers to seize the opportunities for rapid growth, continuously create values for our customers, and actively enhance our core competencies.

II. Persist in innovation-driven development, and continuously promote digital transition

We have adhered to long-termism, promoted innovation-driven development, closely followed the frontier technologies, continuously increased R&D funding, and improved our R&D system; through participation in the preliminary development projects of leading customers of the industry, enhanced technical innovation, improved production technologies and process capabilities, and continuously cultivated new quality productive forces, to promote our high-quality development; further explored the frontier manufacturing technologies for core components in the field of intelligent interconnection, to lay a solid foundation for serving the future innovative business fields, and further respond to customer demands; continuously promoted the integration of informatization and industrialization, focused on the application of cutting-edge big data and AI technologies, vigorously promoted intelligent manufacturing and built smart factories. In 2023, some of our subsidiaries were named “National Model Factory for Intelligent Manufacturing” and “5G Factory of Jiangsu”, and awarded other honorary titles. While promoting the integration of informatization and industrialization, we have also improved system and data governance, fully aroused the initiative and creativity of all organizations, established and improved a scientific and efficient management system, and enhanced our core competencies in an all-around way from the system and organization levels.

III. Enhance corporate governance and improve the level of operational compliance

We have continuously consolidated the basis of corporate governance, actively improved the level of corporate governance, and promoted the sound operation of general meetings of shareholders, board of directors, board of supervisors and management; established and improved the internal control system, enhanced risk management, and improved the decision-making level, to enter into a virtuous circle in our development, and vigorously protect the legitimate rights and interests of our shareholders. Our Board of Directors has seriously implemented all resolutions of shareholders, and faithfully performed their duty of loyalty. Our management has seriously performed all duties assigned by the Board of Directors, further improved their management capabilities, and continuously enhanced our core competencies, profitability and overall risk management capabilities, to achieve sustainable development and strive to maximize returns to our shareholders.

IV. Put investors first, and attach great importance to returns to investors

(I) Attach great importance to the quality of information disclosures. We have strictly complied with the information disclosure principles of “truthfulness, accuracy, completeness, timeliness and fairness”, strived to satisfy the demands of investors, continuously improved the quality and effectiveness of information disclosures, and disclosed complete information related to our business and other affairs at multiple layers and from multiple perspectives. In the future, we will, taking into account our actual business situations and development characteristics, perform our information disclosure obligations with high quality, continuously optimize the ways to disclose our business information, proactively disclose useful information for the investors to make their investment decisions,

emphasize on the disclosure of important and well-targeted information, enhance the disclosure of critical information related to industrial competition, business operation and risk factors, and reduce the disclosure of redundant information.

(II) Enhance communications with investors. We have attached great importance to the management of investor relations, continuously improved the working mechanisms and content of the management of investor relations, through performance briefings, teleconferences, on-site visits and investigations or otherwise, deepened the investors' understanding of our production and business situations and other activities, and enhanced their acceptance of and confidence in us, to achieve the objectives of respecting investors, offering returns to investors and protecting investors. In the future, we will continue to build the ecosystem for active interactions with investors, provide conveniences for all kinds of investors to participate in the decision-making on material matters, and create long-term values for investors.

(III) Attach great importance to returns to investors. While focusing on our own development, we have attached great importance to returns to investors, and always put investors first. Since our listing, we have distributed cash dividends in strict accordance with the profit distribution policy set forth in our Articles of Association and shared our development results with the investors. In the future, we will maintain a dynamic balance among our development, performance growth and returns to shareholders, according to the profit distribution principle taking into account our development stage, seriously implement the mechanism of "long-term, stable and sustainable" returns to shareholders, and continuously enhance the investors' sense of gain.

We will remain true to our original aspiration, consolidate the foundation of our enterprise, keep pace with the times, and start a new journey. We will always bear in mind returns to shareholders, put investors first, actively implement the action plan to improve the quality and returns, strive to improve our operating quality and investment value, effectively enhance the investors' sense of gain, and make positive contributions to the stabilization of market and confidence.

Section IV Corporate Governance

I. Particulars of Annual General Meeting and Extraordinary General Meetings Held during the Reporting Period

1. General meetings held during the reporting period

Session	Type of meeting	Percentage of investors attending the meeting	Date of meeting	Disclosure date	Resolution of the meeting
1 st extraordinary general meeting in 2024	Extraordinary general meeting	37.43%	January 23, 2024	January 24, 2024	Announcement of the resolutions of the 1 st extraordinary general meeting in 2024 (Announcement No.: 2024-007)
2 nd extraordinary general meeting in 2024	Extraordinary general meeting	42.51%	March 29, 2024	March 30, 2024	Announcement of the resolutions of the 2 nd extraordinary general meeting in 2024 (Announcement No.: 2024-024)
2023 annual general meeting	Annual general meeting	40.32%	May 10, 2024	May 11, 2024	Announcement of the resolutions of the 2023 annual general meeting (Announcement No.: 2024-046)

2. Convening of extraordinary general meetings of shareholders at the request of preferred shareholders with restituted voting rights

Applicable N/A

II. Changes in Directors, Supervisors and Senior Executives

Applicable N/A

There has been no change in our directors, supervisors and senior executives during the reporting period, as detailed in the Annual Report 2023.

III. Profit Distribution and Capitalization of Capital Reserve during the Reporting Period

Applicable N/A

We have no plan to pay cash dividends, distribute bonus shares or convert any capital reserve to the share capital during the reporting period.

IV. Share Incentive Plans, Employee Stock Ownership Plans or Other Employee Incentives

Applicable N/A

1. Share incentives**2. Employee stock ownership plans (ESOPs)**Applicable N/A

Effective ESOPs in the reporting period:

Scope of employees	No. of employees	Total shares held	Changes	% of total share capital	Source of funds
Key officers and technical personnel of the Company or its subsidiaries, excluding directors, supervisors and senior executives of the Company (2022 ESOP for key officers and technical personnel) ¹	308	1,366,120	None	0.08%	Legal remunerations of the employees, self-raised funds or otherwise permitted by the applicable laws and administrative regulations
Certain employees who do full-time jobs for, receive salaries from and have valid employment contracts with the Company or its controlled subsidiaries, excluding directors, supervisors and senior executives of the Company (2022 second ESOP) ²	366	4,847,178	None	0.28%	Legal remunerations of the employees, self-raised funds or otherwise permitted by the applicable laws and administrative regulations

Note:

- As of the end of the reporting period, the vesting period for the 2022 ESOP for key officers and technical personnel has expired, under which, the first installment of shares, representing 50% of the total shares granted thereunder were already vested, and the second installment of shares, representing 50% of the total shares granted thereunder, has entered the vesting period.
- As of the end of the reporting period, the lock-up period for the 2022 second ESOP was expired on April 25, 2024.

Shares held by the directors, supervisors and senior executives under the ESOPs during the reporting period: None

Changes in asset manager during the reporting period:

Applicable N/A

Changes in equity due to disposal of shares by the holders or otherwise during the reporting period:

Applicable N/A

Exercise of shareholder rights during the reporting period: None.

Other information related to the ESOPs during the reporting period and the relevant explanation:

Applicable N/A

Changes in the members of the ESOP management committee during the reporting period:

Applicable N/A

The financial effect of the ESOPs on the Listed Company during the reporting period and the relevant accounting treatment:

Applicable N/A

Termination of the ESOPs during the reporting period:

Applicable N/A

Other information: None

3. Other employee incentivesApplicable N/A

Section V Environmental and Social Responsibilities

I. Material Environmental Issues

Whether the Listed Company and its subsidiaries have been identified as major polluters by the environmental protection authorities?

Yes No

Policies and industrial standards related to environmental protection:

During the reporting period, we and our subsidiaries identified as major polluters have strictly complied with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes*, the *Law of the People's Republic of China on Prevention and Control of Noise Pollution*, the *Law of the People's Republic of China on Prevention and Control of Soil Pollution*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and other laws and regulations related to environmental protection, and implemented the *Emission Standard for Odor Pollutants* (GB14554-93), the *Integrated Emission Standard for Air Pollutants* (DB32/4041-2021), the *Emission Standard of Air Pollutants for Boilers* (GB13271-2014), the *Emission Standard of Air Pollutants for Industrial Furnaces and Kilns* (DB32/3728-2021), the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2001), the *Emission Standard for Pollutants from Electroplating* (GB21900-2008), the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008), the *Standard for Fugitive Emission of Volatile Organic Compounds* (GB37822-2019), the *Discharge Standard of Water Pollutants for Electronic Industry* (GB39731-2020), the *Integrated Wastewater Discharge Standard* (GB8978-1996), the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T31962-2015), the *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill* (GB18599-2020) and other national and industrial standards related to environmental protection.

Environmental Permits

Environmental permits held by the Company and its subsidiaries identified as major polluters during the reporting period:

Company name	No.	Validity period
Suzhou Dongshan Precision Manufacturing Co., Ltd.	91320500703719732P001U	From January 15, 2023, to January 14, 2028
Multek Technology (Zhuhai) Co., Ltd.	914404007718663989001X	From November 28, 2022, to November 27, 2027
Multek Industries Limited	91440400714732019J001W	From August 17, 2023, to August 16, 2028
Multek Zhuhai Limited	9144040061749918XX001Y	From April 12, 2022, to April 11, 2027

Multek China Limited	914404006182559377001W	From December 20, 2021, to December 19, 2026
Yancheng Dongshan Precision Manufacturing Co., Ltd.	91320903MA1P7PG85D001X	From October 8, 2023, to October 7, 2028
MFLEX Yancheng Co., Ltd.	91320903MA1P7PLE6D001T	From October 8, 2023, to October 7, 2028
MFLEX Suzhou Co., Ltd.	91320500738277671B001V	From August 14, 2023, to August 13, 2028
MFLEX Suzhou Co., Ltd.	91320500738277671B002U	From January 31, 2022, to January 30, 2027
Suzhou JDI Electronics Inc.	913205056082373800001C	From June 27, 2022, to June 26, 2027

Industrial discharge standards and the pollutants discharged in our production and operating activities:

Company name	Category of main pollutants and specific pollutants	Description of main pollutants and specific pollutants	Method of discharge	No. of discharge outlets	Location of discharge outlets	Pollutant concentration	Applicable pollutant discharge standard	Total volume discharged	Approved total volume dischargeable	Excessive discharge
DSBJ	Waste gas	NMHC	Organized discharge	1	Roof of building A	2.03mg/m ³	60mg/m ³	0.125370	/	No
DSBJ	Waste gas	NMHC	Organized discharge	1	Roof of building F	4.01mg/m ³	50mg/m ³	0.296175	/	No
DSBJ	Waste gas	Particles	Organized discharge	1	Roof of building A	2.4mg/m ³	20mg/m ³	0.148221	/	No
DSBJ	Waste gas	Particles	Organized discharge	1	Roof of building F	2.5mg/m ³	10mg/m ³	0.184648	/	No
DSBJ	Waste gas	Tin and its compounds	Organized discharge	2	Roof of building A/F	ND	5mg/m ³	/	/	No
DSBJ	Waste gas	Acetone	Organized discharge	1	Roof of building F	1.76mg/m ³	/	0.129992	/	No
DSBJ	Waste gas	IPA	Organized discharge	1	Roof of building F	0.219mg/m ³	/	0.016175	/	No
DSBJ	Waste gas	Particles	Organized discharge	3	Roof of building B	ND	20mg/m ³	/	/	No
DSBJ	Waste gas	Fluoride	Organized discharge	1	Roof of building B	0.3mg/m ³	3mg/m ³	0.000325	/	No
DSBJ	Waste gas	NMHC	Organized discharge	1	Roof of building B	0.67mg/m ³	60mg/m ³	0.007701	/	No
Multek Industries and Multek Technology	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	21.3mg/L	160mg/L	17.04t	242.36t	No
Multek Industries and Multek Technology	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	7.48mg/L	30mg/L	6.03t	45.44t	No
Multek Industries and Multek Technology	Wastewater from the general discharge outlet	Total nitrogen	Continuous discharge	1	Within factory boundary	27.78 mg/L	40mg/L	22.19t	60.59t	No
Multek Industries and	Wastewater from Class I	Total nickel	Intermittent discharge	1	Within factory boundary	0.11 mg/L	0.5mg/L	0.000869t	0.055t	No

Multek Technology	waste discharge outlet									
Multek Zhuhai	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	14.5mg/L	160mg/L	1.09t	33.643t	No
Multek Zhuhai	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	1.37 mg/L	30mg/L	0.1t	6.308t	No
Multek Zhuhai	Wastewater from the general discharge outlet	Total nitrogen	Continuous discharge	1	Within factory boundary	9.3 mg/L	40mg/L	0.65t	28.6748t	No
Multek Zhuhai	Wastewater from Class I waste discharge outlet	Total nickel	Intermittent discharge	1	Within factory boundary	0.003mg/L	0.5mg/L	0.0000048t	0.358t	No
Multek China	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	25.5mg/L	160mg/L	4.95t	216.372t	No
Multek China	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	8.55mg/L	30mg/L	1.58t	40.5697t	No
Multek China	Wastewater from the general discharge outlet	Total nitrogen	Continuous discharge	1	Within factory boundary	18.46mg/L	40mg/L	3.4t	54.093t	No
Multek China	Wastewater from Class I waste discharge outlet	Total nickel	Intermittent discharge	1	Within factory boundary	0mg/L	0.5mg/L	0t	1.3523t	No
Multek China	Wastewater from Class I waste discharge outlet	Total silver	Intermittent discharge	1	Within factory boundary	0.03mg/L	0.1mg/L	0.00001t	0.270465t	No
MFLEX Yancheng	Wastewater	Total nitrogen	Indirect discharge	1	General discharge outlet at east of the factory	17.2mg/L	40mg/L	11.02t	84.183t	No
MFLEX	Wastewater	Ammonia	Indirect	1	General	1mg/L	35mg/L	1.287t	75.729t	No

Yancheng	r	nitrogen	discharge		discharge outlet at east of the factory					
MFLEX Yancheng	Wastewater	COD	Indirect discharge	1	General discharge outlet at east of the factory	39mg/L	500mg/L	20t	844.263t	No
MFLEX Yancheng	Wastewater	Total phosphorus	Indirect discharge	1	General discharge outlet at east of the factory	0.33mg/L	3.5mg/L	0.22t	7.744t	No
MFLEX Yancheng	Wastewater	Nickel	Indirect discharge	1	Facility discharge outlet at east of the factory	0.01mg/L	0.5mg/L	0.018t	0.085t	No
Yancheng Dongshan	Wastewater	COD	Indirect discharge	1	General wastewater discharge outlet at the southeast of the factory	85.39mg/L	500mg/L	4.192800627t	232.467t	No
Yancheng Dongshan	Wastewater	Ammonia nitrogen	Indirect discharge	1	General wastewater discharge outlet at the southeast of the factory	5.14mg/L	35mg/L	0.216395315t	14.058t	No
Yancheng Dongshan	Wastewater	Total phosphorus	Indirect discharge	1	General wastewater discharge outlet at the southeast of the factory	0.20mg/L	3.5mg/L	0.010171257t	1.743t	No
Yancheng Dongshan	Wastewater	Total nitrogen	Indirect discharge	1	General wastewater discharge outlet at the southeast of the factory	18.08mg/L	40mg/L	0.90279078t	19.054t	No
Yancheng Dongshan	Wastewater	Total silver	Indirect discharge	1	General wastewater discharge outlet at the southeast	0.1985mg/L	0.3mg/L	0.000230022t	0.022t	No

					of the factory					
Yancheng Dongshan	Wastewater	Total nickel	Indirect discharge	1	General wastewater outlet at the southeast of the factory	0.057mg/L	0.5mg/L	0.000191088t	0.033t	No
Yancheng Dongshan	Waste gas	VOCs	Organized discharge	6	Roof of buildings 4# and 5#	2.6 mg/m ³	60mg/m ³	1.126t	12.04t	No
MFLEX Suzhou	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	22.924mg/L	500mg/L	18.661t	471.035t	No
MFLEX Suzhou	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	0.381mg/L	25mg/L	0.31t	26.020t	No
MFLEX Suzhou	Wastewater from the general discharge outlet	Total copper	Continuous discharge	1	Within factory boundary	0.220mg/L	2.0mg/L	0.179t	0.9405t	No
MFLEX Suzhou	Wastewater from Class I waste discharge outlet	Total nickel	Continuous discharge	1	Within factory boundary	0.013mg/L	0.5mg/L	0.011t	0.057t	No
MFLEX Suzhou	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	30mg/L	500mg/L	1.591t	92.893t	No
MFLEX Suzhou	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	10.5mg/L	30mg/L	0.557t	7.963t	No

Treatment of pollutants: With respect to the wastewater, waste gas, solid wastes and other wastes generated during our production, we have proper pollution treatment facilities in place, which are operated and maintained by ourselves or the service providers engaged by us. We designate special personnel to monitor the operation of equipment and discharge of pollutants and maintain and repair the equipment and facilities on a regular basis, to ensure the discharge and disposal of pollutants in accordance with the applicable standards and regulations. Solid wastes generated during production are treated pursuant to relevant laws and regulations. With these efforts, we seek to minimize the impact of pollutants from our production and operation on the environment. During the reporting period, our discharge of pollutants complied with the applicable standards and regulations.

Environmental emergency response plans: We have developed environmental emergency response plans in accordance with the *National Environmental Emergency Response Plan*, filed the same with the local ecological and environmental protection authority, and carried out exercises on a regular basis, to improve our capability to respond to environmental emergencies, and reduce harm to the environment and impact on the society.

Expenditures on environmental governance and protection, and payment of environmental protection tax: We have made continuous investments in environmental governance and protection, regularly maintained the waste gas, wastewater, noise and solid waste treatment and other environmental protection facilities to ensure their effective operation, and discharged of all kinds of pollutants in conformity with the applicable standards, in addition to which, we have paid environmental protection tax on time in accordance with relevant provisions of the *Environmental Protection Tax Law of the People's Republic of China*, to promote our sustainable development.

Environmental self-monitoring plans: We have developed environmental self-monitoring plans in accordance with the applicable laws and regulations, and installed automatic monitoring equipment or engaged qualified third-party inspection institutions to monitor the wastewater, waste gas, noise and other pollutants on a regular basis. During the reporting period, the results of our environmental monitoring complied with the applicable standards and regulations.

Administrative penalties imposed on the Company due to environmental issues during the reporting period: None

Other environmental information that should be disclosed: None

Measures taken for reducing carbon emission during the reporting period and their effect:

Applicable N/A

During the reporting period, we have actively conducted energy-saving management, reducing energy consumption and carbon emissions by promoting energy-saving projects, optimizing and renovating high-energy consumption facilities and equipment, etc.

II. Social Responsibility

During the reporting period, while maintaining steady growth and generating economic and social value, we have actively fulfilled our social responsibilities, continuing to channel resources into charitable giving, social welfare initiatives, and other philanthropic endeavors, to give back to the society.

Section VI Significant Matters

1. Covenants made by the actual controllers, shareholders, affiliates and acquirer of the Company, the Company itself and other related parties that have been fulfilled during the reporting period or that fail to be fulfilled on time as of the end of the reporting period

Applicable N/A

Background of covenant	Covenantor	Type of covenant	Content of covenant	Time of covenant	Validity period of the covenant	Status of fulfillment
Covenant relating to initial public offering or subsequent fundraisings	YUAN Yongfeng and YUAN Yonggang	Covenants related to restrictions on the sale of shares	Each of the shareholders YUAN Yongfeng and YUAN Yonggang, as director and senior executive of the Company, covenants that so long as I remain a director and senior executive of the Company, I will not transfer more than 25% of the total shares held by me in the Company each year; and if I cease to be a director and senior executive of the Company, I will not transfer any shares held by me in the Company within half a year, and will not transfer more than 50% of the total shares held by me in the Company through the stock exchange within 12 months thereafter.	April 9, 2010	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
Covenant relating to initial public offering or subsequent fundraisings	YUAN Fugen, YUAN Yongfeng and YUAN Yonggang	Covenants related to horizontal competition, related-party transactions and occupation of funds	Covenants related to horizontal competition: Each of the shareholders YUAN Yongfeng and YUAN Yonggang covenants that I will not, directly or indirectly, engage in any business in competition with the business actually conducted by the Company.	April 9, 2010	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
Covenant relating to initial public offering or subsequent fundraisings	YUAN Fugen, YUAN Yongfeng and YUAN Yonggang	Other covenants	To ensure the effective implementation of the remedial measures against dilution of earnings to be taken by the Company, each of the controlling shareholders and actual controllers of the Company covenants that: (i) I will not interfere with the management and operation of the Company beyond my powers, or infringe on the interest of the Company; (ii) from the date of this Letter of Undertaking till the completion of this offering, in case of any new regulatory provisions promulgated by the SCRC, the SZSE or other competent securities authorities regarding the remedial measures against dilution of earnings and related covenants, as a result of which the covenants set forth above no longer comply with such new provisions, I will make additional covenants in accordance with such new provisions; and (iii) I will seriously implement the remedial measures against dilution of earnings adopted by the Company and fulfill my covenants in connection therewith, and if	March 12, 2024	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.

			I breach or refuse to fulfill any covenant set forth above, accept the penalties or other regulatory actions that may be imposed or taken by the SCRC, the SZSE or other competent securities authorities against me, and indemnify the Company or the investors for the losses arising therefrom according to law.			
Covenant relating to initial public offering or subsequent fundraisings	YUAN Yongfeng and YUAN Yonggang, ZHAO Xiutian, SHAN Jianbin, WANG Xu, MAO Xiaoyan and MA Liqiang	Other covenants	To ensure the effective implementation of the remedial measures against dilution of earnings to be taken by the Company, each of the directors and senior executives of the Company covenants that: (i) I will not transfer benefits to any other entity or individual without compensation or on unfair terms, or otherwise damage the interest of the Company; (ii) I will exercise self-discipline in consumption in performing my duties; (iii) I will not use the assets of the Company to engage in any investment or consumption activities not in connection with my duties; (iv) I will link the compensation system adopted by the Board of Directors or the Compensation Committee with the implementation of the Company's remedial measures against dilution of current earnings; (v) if the Company implements any share incentive plan in the future, I will link the vesting conditions under such share incentive plan with the implementation of the Company's remedial measures against dilution of current earnings; (vi) from the date of this Letter of Undertaking till the completion of this offering, in case of any new regulatory provisions promulgated by the SCRC, the SZSE or other competent securities authorities regarding the remedial measures against dilution of earnings and related covenants, as a result of which the covenants set forth above no longer comply with such new provisions, I will make additional covenants in accordance with such new provisions; and (vii) I will seriously implement the remedial measures against dilution of earnings adopted by the Company and fulfill my covenants in connection therewith, and if I breach or refuse to fulfill any covenant set forth above, accept the penalties or other regulatory actions that may be imposed or taken by the SCRC, the SZSE or other competent securities authorities against me, and indemnify the Company or the investors for the losses arising therefrom according to law.	March 12, 2024	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
Whether the covenants have been fulfilled on time	Yes					
If any covenant fails to be fulfilled on time, please	N/A					

explain the reason and the relevant actions to be taken in detail	
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II. Occupation by the Controlling Shareholders and their Affiliates of the Funds of the Company for Non-Operating Purpose

Applicable N/A

Our controlling shareholders and their affiliates have not occupied our funds for non-operating purposes during the reporting period.

III. External Guarantees in Violation of the Regulations

Applicable N/A

We have not provided any external guarantee in violation of the applicable regulations during the reporting period.

IV. Engagement and Termination of Engagement of Accounting Firm

Has the semi-annual financial report been audited?

Yes No

The semi-annual report has not been audited.

V. Explanation by the Board of Directors and the Board of Supervisors about the Modified Auditor's Report Issued by the Accounting Firm for the Reporting Period

Applicable N/A

VI. Explanation by the Board of Directors about the Modified Auditor's Report of the Previous Year

Applicable N/A

VII. Matters Relating to Bankruptcy and Reorganization

Applicable N/A

We have not been involved in any bankruptcy or reorganization proceedings during the reporting period.

VIII. Litigation

Material litigation and arbitration proceedings

Applicable N/A

We have not been involved in any material litigation or arbitration proceedings during the reporting period.

Other litigation proceedings

Applicable N/A

IX. Punishments and Rectifications

Applicable N/A

We have not been involved in any punishment and rectification during the reporting period.

X. Credit Standing of the Company and its Controlling Shareholders and Actual Controllers

Applicable N/A

XI. Material Related-party Transactions

1. Related-party transactions relating to day-to-day operation

Applicable N/A

There has been no related-party transaction relating to day-to-day operation during the reporting period.

2. Related-party transactions involving the acquisition or sale of assets or equities

Applicable N/A

There has been no related-party transaction involving the acquisition or sale of assets or equities during the reporting period.

3. Related-party transactions involving joint external investment

Applicable N/A

There has been no related-party transaction involving joint external investment during the reporting period.

4. Debts owed by and to related parties

Applicable N/A

There has been no debt owed by or to related parties during the reporting period.

5. Dealings with affiliated financial companies

Applicable N/A

There has been no deposit, loan, facility or other financial business between us and any of our affiliated financial companies.

6. Dealings with financial companies controlled by the Company and its affiliates

Applicable N/A

There has been no deposit, loan, facility or other financial business between any of our controlled financial companies and affiliates.

7. Other material related-party transactions

Applicable N/A

There has been no other material related-party transaction during the reporting period.

XII. Particulars and Performance of Material Contracts

1. Trusteeship, contracting and leases

(1) Trusteeship

Applicable N/A

No such case during the reporting period.

(2) Contracting

Applicable N/A

No such case during the reporting period.

(3) Leases

Applicable N/A

No such case during the reporting period.

2. Material guarantees

Applicable N/A

In RMB0'000

External guarantees provided by the Company and its subsidiaries (excluding those provided for the subsidiaries)										
Obligor	Disclose re date of announc ement of the maximu m amount guarante ed	Maximu m amount guarante ed	Effective date of guarante e	Actual amount guarante ed	Type of guarante e	Collatera l (if applicabl e)	Counter guarante e (if applicabl e)	Term of guarante e	Whether or not expired	Whether or not provided for a related party
Suzhou Toprun Electric Equipment Co., Ltd.		3,000		2,000	Joint and several liability guarante e		Other sharehol ders have provided equal guarante es or counter guarante es in proporti		No	Yes

							on to their respective contributions.			
Suzhou LEGATE Intelligent Equipment Corp., Ltd.		3,000								
Shanghai Fu Shan Precision Manufacturing Co., Ltd.		3,000		3,000	Joint and several liability guarantee		Other shareholders have provided equal guarantees or counter guarantees in proportion to their respective contributions.		No	Yes
Total amount of external guarantee approved during the reporting period (A1)		9,000		Total amount of external guarantee actually provided during the reporting period (A2)		5,000				
Total amount of external guarantee approved as at the end of the reporting period (A3)		9,000		Total amount of external guarantee actually provided as at the end of the reporting period (A4)		5,000				
Guarantees provided by the Company for its subsidiaries										
Obligor	Disclosure date of announcement of the maximum amount guaranteed	Maximum amount guaranteed	Effective date of the guarantee	Actual amount guaranteed	Type of guarantee	Collateral (if applicable)	Counter guarantee (if applicable)	Term of guarantee	Whether or not expired	Whether or not provided for a related party
Dragon Electronix Holdings Inc. and its		280,000		224,900	Joint and several liability guarantee				No	No

controlled subsidiaries					e					
Hong Kong Dongshan Holding Limited and its subsidiaries		280,000		10,000	Joint and several liability guarantee				No	No
Yancheng Dongshan		120,000		73,385.08	Joint and several liability guarantee				No	No
Multek Group (Hong Kong) Limited and its controlled subsidiaries		150,000		66,048.22	Joint and several liability guarantee				No	No
Mutto Optronics		100,000		26,509.74	Joint and several liability guarantee				No	No
Yongchuang Tech		80,000		20,601.69	Joint and several liability guarantee				No	No
Chaowei Microelectronics (Yancheng) Co., Ltd.		60,000		30,000	Joint and several liability guarantee				No	No
Yancheng Dongshan Communication Technology Co., Ltd.		13,000		6,861.34	Joint and several liability guarantee				No	No
RF Top Electronic		5,000		880.13	Joint and several liability guarantee				No	No
Hong Kong Dongshan		5,000								
Suzhou Chengjia Precision Manufacturing Co., Ltd.		8,000		4,293.46	Joint and several liability guarantee				No	No
Suzhou Dongyue New Energy Technology Co., Ltd.		20,000								
Yancheng Dongchuang Precision		100,000		56,856.46	Joint and several liability				No	No

Manufacturing Co., Ltd.					guarantee					
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (B1)		1,221,000	Total amount of guarantee actually provided for subsidiaries during the reporting period (B2)							679,170.16
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)		1,221,000	Total amount of guarantee actually provided for subsidiaries as at the end of the reporting period (B4)							520,336.11
Guarantees provided by subsidiaries for each other										
Obligor	Disclosure date of announcement of the maximum amount guaranteed	Maximum amount guaranteed	Effective date of the guarantee	Actual amount guaranteed	Type of guarantee	Collateral (if applicable)	Counter guarantee (if applicable)	Term of guarantee	Whether or not expired	Whether or not provided for a related party
Total amount of guarantee provided by the Company (i.e., the sum of the top three items)										
Total amount of guarantee approved during the reporting period (A1+B1+C1)		1,230,000	Total amount of guarantee actually provided during the reporting period (A2+B2+C2)							684,170.16
Total amount of guarantee approved as at the end of the reporting period (A3+B3+C3)		1,230,000	Total amount of guarantee actually provided as at the end of the reporting period (A4+B4+C4)							525,336.11
Ratio of the total amount of guarantee actually provided (A4+B4+C4) to the net assets of the Company				28.91%						
Where:										
Outstanding guarantees provided for shareholders, actual controllers and their affiliates (D)				5,000						
Outstanding guarantees directly or indirectly provided for obligors whose debt-to-assets ratio exceeds 70% (E)				61,856.46						
Portion of the total amount of guarantee in excess of 50% of the net assets (F)				0						
Total (D+E+F)				61,856.46						
Explanation about the joint and several liability that have been or might be incurred in respect of outstanding guarantees during the reporting period (if any)				None						
Explanation about external guarantees provided in contravention of the established procedures (if any)				None						

3. Entrusted wealth managementApplicable N/A

In RMB0'000

Type	Source of funds	Total amount	Outstanding amount	Overdue amount	Impairment loss recognized for overdue wealth management products
Bank wealth management product	Self-owned funds	88,752.56	80,522.72	0	0
Total		88,752.56	80,522.72	0	0

High-risk entrusted wealth management products that are significant individually, illiquid or not principal protected:

 Applicable N/A

Entrusted wealth management products the principal of which may be unrecoverable, or which may otherwise be impaired:

 Applicable N/A**4. Other material contracts**Applicable N/A

We have not entered into any other material contract during the reporting period.

XIII. Other Significant MattersApplicable N/A

There's no other significant matter needing to be explained for the reporting period.

XIV. Significant Matters of SubsidiariesApplicable N/A

Section VII Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

Unit: Share

	Before the change		+/-					After the change	
	Number	%	New shares	Bonus shares	Capitalization of capital reserves	Others	Subtotal	Number	%
I. Non-tradable shares	319,591,987	18.69%						319,591,987	18.69%
1. Shares held by the State									
2. Shares held by State-owned corporations									
3. Shares held by other domestic investors	319,591,987	18.69%						319,591,987	18.69%
Incl.: Shares held by domestic non-State-owned corporations									
Shares held by domestic natural persons	319,591,987	18.69%						319,591,987	18.69%
4. Shares held by foreign investors									
Incl.: Shares held by foreign corporations									
Shares held by foreign natural persons									
II. Tradable shares	1,390,275,340	81.31%						1,390,275,340	81.31%
1. RMB-denominated ordinary shares	1,390,275,340	81.31%						1,390,275,340	81.31%
2. Foreign currency-denominated shares listed domestically									
3. Foreign currency-denominated shares listed overseas									
4. Others									
III. Total shares	1,709,867,327	100.00%						1,709,867,327	100.00%

Reasons for changes in shares

Applicable N/A

Approval for changes in shares

Applicable N/A

Transfer of shares in relation to the changes

Applicable N/A

Progress in the implementation of share repurchase

Applicable N/A

On December 28, 2023, we held the 6th meeting of the 6th Board of Directors, at which the Proposal on Repurchase of the Company's Shares was deliberated and approved, agreeing to use our self-owned funds to repurchase the RMB-denominated ordinary shares (A-shares) issued by the Company through the Shenzhen Stock Exchange by aggregate auction for the purpose of employee stock ownership plans or equity incentives. The total repurchase funds shall range from RMB20 million (inclusive) to RMB30 million (inclusive), and the repurchase price shall not exceed RMB 27.40 per share.

As of January 15, 2024, we have repurchased a total of 1,588,800 shares of us, accounting for 0.093% of our total share capital, through the Shenzhen Stock Exchange by aggregate auction using our self-owned funds, at a price from RMB15.59 per share to RMB15.89 per share, with the total transaction amount being RMB24,997,000 (excluding transaction costs). The above-mentioned share repurchase complies with the provisions of laws and regulations and our share repurchase plan.

Progress of sale or repurchase of shares by aggregate auction

Applicable N/A

The impact of changes in shares on financial indicators such as basic earnings per share and diluted earnings per share, as well as net assets per share attributable to ordinary shareholders of the Company for the most recent year and period

Applicable N/A

Other information deemed necessary by the Company or required by securities regulatory authorities to be disclosed

Applicable N/A

2. Changes in non-tradable shares

Applicable N/A

II. Offering and Listing of Securities

Applicable N/A

III. Number of shareholders and shareholding structure of the Company

Unit: Share

Total number of ordinary shareholders at the end of the reporting period		109,447		Total number of preferred shareholders whose voting rights had been restituted at the end of the reporting period (if any) (Note 8)			0	
Shareholding by ordinary shareholders holding more than 5% of the shares or top 10 ordinary shareholders (excluding the shares lent via refinancing)								
Name of shareholder	Status of shareholder	Shareholding percentage	No. of ordinary shares held at the end of the reporting period	Changes in shareholding during the reporting period	No. of non-tradable ordinary shares held	No. of tradable ordinary shares held	Pledge, attachment or freeze	
							Status of shares	Number
YUAN Yongfeng	Domestic natural person	13.01%	222,388,153	0	166,791,115	55,597,038	Pledge	132,010,000
YUAN Yonggang	Domestic natural person	11.83%	202,226,196	0	151,669,647	50,556,549	Pledge	94,730,000
YUAN Fugen	Domestic natural person	3.44%	58,796,052	0	0	58,796,052	N/A	0
Hong Kong	Foreign	3.03%	51,726,475	-14,286,127	0	51,726,475	N/A	0

Securities Clearing Company Limited	corporation							
Taikang Life Insurance - Traditional - General Insurance Product -019L-CT001 Shenzhen	Others	1.03%	17,663,115	2,189,900	0	17,663,115	N/A	0
Agricultural Bank of China Limited - China Securities 500 Exchange-Traded Index Securities Investment Fund	Others	0.95%	16,213,800	8,706,900	0	16,213,800	N/A	0
Taikang Life Insurance - Dividends - Personal Dividends - 019L-FH002 Shenzhen	Others	0.92%	15,808,955	2,780,900	0	15,808,955	N/A	0
New China Life Insurance Company Ltd. - Dividends - Personal Dividends - 018L-FH002 Shenzhen	Others	0.85%	14,500,148	14,500,148	0	14,500,148	N/A	0
Taikang Life Insurance - Investment Linked Insurance - Multi-strategy Optimization	Others	0.78%	13,331,606	7,462,800	0	13,331,606	N/A	0
GF Fund Management Co., Ltd. - Social Security Fund Portfolio 420	Others	0.71%	12,214,112	2,415,100	0	12,214,112	N/A	0
Strategic investors or general corporations becoming top 10 ordinary shareholders as a result of rights issue (if any) (Note 3)	N/A							
Affiliates or concert parties among the shareholders listed above	Among the shareholders listed above, YUAN Yonggang and YUAN Yongfeng are sons of YUAN Fugen, and YUAN Yongfeng is the elder brother of YUAN Yonggang. YUAN Fugen, YUAN Yongfeng and YUAN Yonggang are our actual controllers. We are not aware whether there are affiliates or concert parties within the meaning of the <i>Administrative Measures for Information Disclosure by the Listed Companies Relating to Changes in Shares Held by Shareholders</i> among other shareholders listed above.							
Delegation or waiver of voting rights or ownership of voting rights by or to the shareholders listed above	N/A							
Special explanation about any dedicated account for repurchase opened by any top 10 shareholder (if any) (Note 11)	N/A							
Shareholding by the top 10 holders of tradable ordinary shares (Excluding the shares lent via refinancing and the lock-up shares for senior executives)								
Name of shareholder	Number of tradable ordinary shares held at the end of the reporting period					Type and number of shares		

		Type	Number
YUAN Fugen	58,796,052	RMB-denominated ordinary share	58,796,052
YUAN Yongfeng	55,597,038	RMB-denominated ordinary share	55,597,038
Hong Kong Securities Clearing Company Limited	51,726,475	RMB-denominated ordinary share	51,726,475
YUAN Yonggang	50,556,549	RMB-denominated ordinary share	50,556,549
Taikang Life Insurance - Traditional - General Insurance Product -019L-CT001 Shenzhen	17,663,115	RMB-denominated ordinary share	17,663,115
Agricultural Bank of China Limited - China Securities 500 Exchange-Traded Index Securities Investment Fund	16,213,800	RMB-denominated ordinary share	16,213,800
Taikang Life Insurance - Dividends - Personal Dividends -019L-FH002 Shenzhen	15,808,955	RMB-denominated ordinary share	15,808,955
New China Life Insurance Company Ltd. - Dividends - Personal Dividends -018L-FH002 Shenzhen	14,500,148	RMB-denominated ordinary share	14,500,148
Taikang Life Insurance - Investment Linked Insurance - Multi-strategy Optimization	13,331,606	RMB-denominated ordinary share	13,331,606
GF Fund Management Co., Ltd. Social Security Fund Portfolio 420	12,214,112	RMB-denominated ordinary share	12,214,112
Affiliates or concert parties among the top 10 holders of tradable ordinary shares, and among the top 10 holders of tradable ordinary shares and top 10 ordinary shareholders	Among the shareholders listed above, YUAN Yonggang and YUAN Yongfeng are sons of YUAN Fugen, and YUAN Yongfeng is the elder brother of YUAN Yonggang. YUAN Fugen, YUAN Yongfeng and YUAN Yonggang are our actual controllers. We are not aware whether there are affiliates or concert parties within the meaning of the <i>Administrative Measures for Information Disclosure by the Listed Companies Relating to Changes in Shares Held by Shareholders</i> among other shareholders listed above.		
Securities margin trading conducted by top 10 ordinary shareholders (if any) (Note 4)	N/A		

Share lending by shareholders holding more than 5% of the shares, top 10 shareholders and top 10 holders of tradable shares via refinancing:

Applicable N/A

Unit: Share

Share lending by shareholders holding more than 5% of the shares, top 10 shareholders and top 10 holders of tradable shares via refinancing

Full name of shareholder	Shares held in ordinary account and margin trading account at the beginning of the current period		Outstanding shares lent via refinancing at the beginning of the current period		Shares held in ordinary account and margin trading account at the end of the current period		Outstanding shares lent via refinancing at the end of the current period	
	Total number	% of total share capital	Total number	% of total share capital	Total number	% of total share capital	Total number	% of total share capital
Agricultural Bank of China Limited - China Securities 500 Exchange-Traded Index Securities Investment Fund	16,194,400.00	0.95%	2,217,500.00	0.13%	16,213,800.00	0.95%	626,900.00	0.04%

Changes compared to the previous period due to shares lending via refinancing/returning by the top 10 shareholders and the top 10 holders of tradable shares

Applicable N/A

Whether the top 10 ordinary shareholder or top 10 holders of tradable ordinary shares has conducted any transaction under the repurchase agreement during the reporting period?

Yes No

No top 10 ordinary shareholder or top 10 holders of tradable ordinary shares has conducted any transaction under the repurchase agreement during the reporting period.

IV. Changes in Shareholding of Directors, Supervisors, and Senior Executives

Applicable N/A

There has been no change in the shareholding of our directors, supervisors, and senior executives during the reporting period, as detailed in the Annual Report 2023.

V. Changes in Controlling Shareholders and Actual Controllers

Change in the controlling shareholders during the reporting period:

Applicable N/A

There has been no change in our controlling shareholders during the reporting period. Change in the actual controllers during the reporting period:

Applicable N/A

There has been no change in our actual controllers during the reporting period.

Section VIII Preferred Shares

Applicable N/A

We did not have any preferred share during the reporting period.

Section IX Bonds

Applicable N/A

Section X Financial Report

I. Financial Report

Has the semi-annual report been audited?

Yes No

This semi-annual financial report has not been audited.

II. Financial Statements

The amounts in the statements contained in the notes to the financial statements are presented in RMB.

1. Consolidated balance sheet

Prepared by: Suzhou Dongshan Precision Manufacturing Co., Ltd.

In RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	7,954,476,596.69	7,190,036,231.06
Settlement deposit		
Loans to banks and other financial institutions		
Financial assets held for trading	140,916,032.21	146,141,371.77
Derivative financial assets		
Notes receivable	25,236,878.62	3,407,623.49
Accounts receivable	6,634,848,769.35	7,713,164,772.05
Accounts receivable financing	199,435,267.61	290,477,095.22
Advances to suppliers	68,612,672.57	79,782,739.11
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	98,014,969.32	77,134,897.39
Incl.: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventories	6,191,742,129.70	6,293,879,276.54
Incl.: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,086,141,825.81	651,719,745.68

Total current assets	22,399,425,141.88	22,445,743,752.31
Non-current assets:		
Loans and advances to clients		
Debt investments		
Other debt investments		
Long-term receivable	30,000,000.00	30,000,000.00
Long-term equity investments	151,095,048.38	155,406,879.89
Investments in other equity instruments	283,657,110.00	278,157,110.00
Other non-current financial assets		
Investment properties	909,984.68	1,038,840.26
Fixed assets	12,712,146,406.50	12,415,251,689.80
Construction in progress	2,212,779,454.69	1,842,525,188.54
Productive biological assets		
Oil and gas assets		
Right-of-use assets	1,268,794,116.83	1,252,668,050.83
Intangible assets	995,721,202.51	863,692,421.74
Incl.: Data resources		
Development expenses		
Incl.: Data resources		
Goodwill	2,205,652,600.95	2,209,199,500.98
Long-term deferred expenses	917,009,459.65	866,872,191.21
Deferred tax assets	1,128,406,535.94	1,078,140,428.38
Other non-current assets	1,313,425,496.55	933,022,974.34
Total non-current assets	23,219,597,416.68	21,925,975,275.97
Total assets	45,619,022,558.56	44,371,719,028.28
Current liabilities:		
Short-term borrowings	5,605,192,891.45	5,156,100,217.01
Borrowings from Central Bank		
Borrowings from banks and other financial institutions		
Financial liabilities held for trading	180,575,141.54	104,174,076.23
Derivative financial liabilities		
Notes payable	979,409,601.51	909,171,215.93
Accounts payable	8,353,477,330.14	8,039,107,176.52
Advances from clients		
Contract liabilities	47,925,820.33	28,982,676.07
Financial assets sold under repurchase agreements		
Deposits from clients and other banks		
Funds received as stockbroker		
Funds received as underwriter of securities		

Employee benefits payable	458,029,549.03	553,178,980.68
Taxes payable	322,276,046.63	475,576,206.83
Other payables	81,678,161.65	80,188,628.54
Incl.: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	2,476,592,843.67	2,496,716,906.35
Other current liabilities	2,348,195.83	6,556,017.38
Total current liabilities	18,507,505,581.78	17,849,752,101.54
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	5,230,423,595.11	4,706,280,338.76
Bonds payable		
Incl.: Preferred shares		
Perpetual bonds		
Lease liabilities	1,880,994,634.25	1,842,799,193.80
Long-term payables	254,675,989.48	296,995,789.48
Long-term employee benefits payable		
Provisions	49,855,521.53	60,785,210.44
Deferred income	656,700,278.49	733,456,685.17
Deferred tax liabilities	821,262,633.39	691,293,111.83
Other non-current liabilities		
Total non-current liabilities	8,893,912,652.25	8,331,610,329.48
Total liabilities	27,401,418,234.03	26,181,362,431.02
Owners' equity:		
Share capital	1,709,867,327.00	1,709,867,327.00
Other equity instruments		
Incl.: Preferred shares		
Perpetual bonds		
Capital reserve	8,064,875,551.23	8,063,768,409.73
Less: Treasury shares	150,907,657.63	125,906,811.33
Other comprehensive income	-797,128,107.05	-714,664,578.64
Special reserve		
Surplus reserve	184,866,869.73	184,866,869.73
General risk reserve		
Retained profits	9,160,377,413.07	9,025,095,529.05
Total owners' equity attributable to the parent company	18,171,951,396.35	18,143,026,745.54
Minority interests	45,652,928.18	47,329,851.72
Total owners' equity	18,217,604,324.53	18,190,356,597.26

Total liabilities and owners' equity	45,619,022,558.56	44,371,719,028.28
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Legal Representative: YUAN Yonggang

CFO: WANG Xu

Accounting Supervisor: ZHU Deguang

2. Standalone balance sheet

In RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	1,176,558,804.09	1,121,824,500.79
Financial assets held for trading		
Derivative financial assets		
Notes receivable		182,944.04
Accounts receivable	2,502,768,793.12	2,084,703,275.22
Accounts receivable financing	32,023,800.26	16,445,639.29
Advances to suppliers	35,668,019.63	264,702,649.93
Other receivables	7,222,201,550.53	5,252,635,539.56
Incl.: Interest receivable		
Dividends receivable	1,559,915,617.48	2,203,111,413.70
Inventories	864,339,912.27	1,299,182,931.81
Incl.: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	44,856,716.42	50,271,463.84
Total current assets	11,878,417,596.32	10,089,948,944.48
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables	30,000,000.00	30,000,000.00
Long-term equity investments	9,499,318,105.96	9,466,303,266.56
Investments in other equity instruments	171,322,110.00	171,322,110.00
Other non-current financial assets		
Investment properties		
Fixed assets	709,506,279.12	1,292,621,445.22
Construction in progress	161,716,719.55	237,324,474.45
Productive biological assets		
Oil and gas assets		
Right-of-use assets	3,587,650.94	4,566,101.24
Intangible assets	61,332,010.58	61,083,591.40
Incl.: Data resources		
Development expenses		

Incl.: Data resources		
Goodwill		
Long-term deferred expenses	84,745,746.26	87,384,070.37
Deferred tax assets	249,940,604.24	189,735,608.41
Other non-current assets	91,931,554.42	163,595,104.57
Total non-current assets	11,063,400,781.07	11,703,935,772.22
Total assets	22,941,818,377.39	21,793,884,716.70
Current liabilities:		
Short-term borrowings	2,441,570,489.61	2,911,521,728.06
Financial liabilities held for trading		
Derivative financial assets		
Notes payable	690,321,901.66	449,069,523.81
Accounts payable	1,432,214,384.46	1,326,777,885.36
Advances from clients		
Contract liabilities	76,212,727.55	11,196,344.94
Employee benefits payable	21,452,235.13	53,045,775.35
Taxes payable	5,143,612.03	3,260,417.40
Other payables	5,500,643,227.09	3,680,367,551.64
Incl.: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,280,570,007.74	834,828,298.62
Other current liabilities	131,499.68	3,373,087.29
Total current liabilities	11,448,260,084.95	9,273,440,612.47
Non-current liabilities:		
Long-term borrowings	2,131,424,310.83	2,405,437,622.23
Bonds payable		
Incl.: Preferred shares		
Perpetual bonds		
Lease liabilities	1,890,299.00	2,741,061.12
Long-term payables	226,168,789.48	226,168,789.48
Long-term employee benefits payable		
Provisions	1,233,646.57	1,852,066.56
Deferred income	17,938,333.53	19,403,333.49
Deferred tax liabilities	842,205.13	920,551.61
Other non-current liabilities		
Total non-current liabilities	2,379,497,584.54	2,656,523,424.49
Total liabilities	13,827,757,669.49	11,929,964,036.96
Owners' equity:		
Share capital	1,709,867,327.00	1,709,867,327.00
Other equity instruments		
Incl.: Preferred shares		

Perpetual bonds		
Capital reserve	7,963,346,198.27	7,962,239,056.77
Less: Treasury shares	150,907,657.63	125,906,811.33
Other comprehensive income	-350,000,000.00	-350,000,000.00
Special reserve		
Surplus reserve	184,866,869.73	184,866,869.73
Retained profits	-243,112,029.47	482,854,237.57
Total owners' equity	9,114,060,707.90	9,863,920,679.74
Total liabilities and owners' equity	22,941,818,377.39	21,793,884,716.70

3. Consolidated income statement

In RMB

Item	The reporting period	The same period of the previous year
I. Total operating revenue	16,628,586,195.56	13,667,087,825.06
Incl.: Operating revenue	16,628,586,195.56	13,667,087,825.06
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	15,860,085,715.70	12,897,109,453.48
Incl.: Operating costs	14,455,695,057.51	11,831,369,939.99
Interest expenses		
Fee and commission expenses		
Surrenders		
Net payments for insurance claims		
Net insurance claim reserves		
Policyholder dividends		
Reinsurance expenses		
Taxes and surcharges	97,314,539.31	49,836,214.17
Selling expenses	198,461,411.65	170,543,696.07
Administrative expenses	513,932,018.38	427,064,667.98
Research and development expenses	622,223,608.99	457,389,483.21
Financial expenses	-27,540,920.14	-39,094,547.94
Incl.: Interest expenses	229,752,660.54	230,762,342.33
Interest income	141,164,259.09	109,254,733.76
Add: Other income	176,411,848.89	147,287,144.35
Investment income (loss expressed with "-")	-48,423,970.21	11,634,384.72
Incl.: Investment income from associates and joint ventures	-4,311,831.51	-633,126.48
Gain on derecognition of financial assets at amortized cost		

Exchange gain (loss expressed with “-”)		
Net exposure hedging income (loss expressed with “-”)		
Gain on changes in fair value (loss expressed with “-”)	-15,065,635.92	-8,871,765.01
Credit loss (loss expressed with “-”)	-57,244,335.30	-64,859,876.70
Impairment loss on assets (loss expressed with “-”)	-105,585,722.55	-60,359,147.92
Gain on disposal of assets (loss expressed with “-”)	-34,905,446.22	-4,613,581.75
III. Operating profit (loss expressed with “-”)	683,687,218.55	790,195,529.27
Add: Non-operating revenue	4,983,059.69	161,498,484.47
Less: Non-operating expenses	5,571,548.85	5,202,156.55
IV. Profit before tax (total loss expressed with “-”)	683,098,729.39	946,491,857.19
Less: Income tax expenses	124,174,716.66	121,848,672.48
V. Net profit (net loss expressed with “-”)	558,924,012.73	824,643,184.71
(I) Classified by continuity of operation		
1. Net profit from continuing operation (net loss expressed with “-”)	558,924,012.73	824,643,184.71
2. Net profit from discontinued operation (net loss expressed with “-”)		
(II) Classified by ownership attribution		
1. Net profit attributable to owners of the parent company (net loss expressed with “-”)	560,600,936.27	824,548,652.98
2. Profit attributable to minority interests (net loss expressed with “-”)	-1,676,923.54	94,531.73
VI. Other comprehensive income, net	-82,463,528.41	-242,092,889.62
Other comprehensive income attributable to owners of the parent company, net after tax	-82,463,528.41	-242,092,889.62
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes arising from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of the corporation’s credit risk		
5. Others		
(II) Other comprehensive income	-82,463,528.41	-242,092,889.62

that will be reclassified to profit or loss		
1. Other comprehensive income that can be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge	-72,795,178.35	-210,146,157.46
6. Differences in translation of foreign currency financial statements	-9,668,350.06	-31,946,732.16
7. Others		
Other comprehensive income attributable to minority interests, net after tax		
VII. Total comprehensive income	476,460,484.32	582,550,295.09
Total comprehensive income attributable to owners of the parent company	478,137,407.86	582,455,763.36
Total comprehensive income attributable to minority interests	-1,676,923.54	94,531.73
VIII. Earnings per share:		
(I) Basic earnings per share	0.33	0.48
(II) Diluted earnings per share	0.33	0.48

Legal Representative: YUAN Yonggang

CFO: WANG Xu

Accounting Supervisor: ZHU Deguang

4. Standalone income statement

In RMB

Item	The reporting period	The same period of the previous year
I. Operating revenue	2,146,603,495.20	1,754,338,591.17
Less: Operating costs	2,082,748,511.41	1,709,683,165.19
Taxes and surcharges	14,450,087.28	4,069,998.89
Selling expenses	24,066,524.34	29,824,017.76
Administrative expenses	124,363,216.37	179,521,807.47
Research and development expenses	103,191,448.64	68,267,790.44
Financial expenses	108,373,027.07	82,583,512.29
Incl.: Interest expenses	175,228,306.42	171,933,961.80
Interest income	37,981,858.78	52,992,726.19
Add: Other income	28,294,000.51	2,216,893.07
Investment income (loss expressed with "-")	-5,578,349.99	-196,349.56
Incl.: Investment income from associates and joint ventures	-2,927,211.16	-633,126.48

Gain on derecognition of financial assets at amortized cost		
Net exposure hedging income (loss expressed with “-”)		
Gain on changes in fair value (loss expressed with “-”)	-13,243,914.03	
Credit loss (loss expressed with “-”)	-57,838,856.00	-66,854,224.95
Impairment loss on assets (loss expressed with “-”)	206,582.75	-10,495,876.53
Gain on disposal of assets (loss expressed with “-”)	389,609.87	62,663.71
II. Operating profit (loss expressed with “-”)	-358,360,246.80	-394,878,595.13
Add: Non-operating revenue	5,000.00	3,000.00
Less: Non-operating expenses	2,575,310.30	692,096.95
III. Profit before tax (total loss expressed with “-”)	-360,930,557.10	-395,567,692.08
Less: Income tax expenses	-60,283,342.31	-67,146,858.77
IV. Net profit (loss expressed with “-”)	-300,647,214.79	-328,420,833.31
(I) Net profit from continuing operation (net loss expressed with “-”)	-300,647,214.79	-328,420,833.31
(II) Net profit from discontinued operation (net loss expressed with “-”)		
V. Other comprehensive income, net		-4,538,660.00
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes arising from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of the corporation’s credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss		-4,538,660.00
1. Other comprehensive income that can be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified to other comprehensive income		
4. Provision for credit impairment		

of other debt investments		
5. Reserves for cash flow hedge		-4,538,660.00
6. Differences in translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	-300,647,214.79	-332,959,493.31
VII. Earnings per share:		
(I) Basic earnings per share	-0.18	-0.19
(II) Diluted earnings per share	-0.18	-0.19

5. Consolidated cash flow statement

In RMB

Item	The reporting period	The same period of the previous year
I. Cash flows from operating activities		
Proceeds from sale of goods and rendering of services	17,706,958,316.93	14,691,146,180.23
Net increase in deposits from clients and other banks		
Net increase in borrowings from Central Bank		
Net increase in borrowings from other financial institutions		
Proceeds from premiums under prior insurance contracts		
Net proceeds from reinsurance business		
Net increase in insured's deposits and investments		
Proceeds from interest, fees and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase in receipts under repurchase transactions		
Net cash received as stockbroker		
Tax refunds received	524,915,907.68	663,078,350.52
Other proceeds relating to operating activities	592,490,973.79	859,746,689.37
Subtotal of cash inflows from operating activities	18,824,365,198.40	16,213,971,220.12
Payments for purchase of goods and receipt of services	12,996,139,860.06	10,247,616,298.54
Net increase in loans and advances from clients		
Net increase in deposits in Central Bank and other banks		

Payment of claims under prior insurance contracts		
Net increase in loans to banks and other financial institutions		
Payment of interest, fees and commissions		
Payment of policyholder dividends		
Payments to and for employees	2,392,154,841.93	2,122,560,726.35
Taxes paid	519,477,522.80	384,150,962.59
Other payments relating to operating activities	827,623,574.33	845,742,396.62
Subtotal of cash outflows from operating activities	16,735,395,799.12	13,600,070,384.10
Net cash flows from operating activities	2,088,969,399.28	2,613,900,836.02
II. Cash flows from investing activities		
Proceeds from disposal of investments	308,155,031.33	2,384,653,805.97
Proceeds from return on investments	-29,218,011.67	25,329,030.89
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	19,280,110.65	7,093,828.69
Net proceeds from the disposal of subsidiaries and other business entities		
Other proceeds relating to investing activities	419,424,782.41	28,655,922.05
Subtotal of cash inflows from investing activities	717,641,912.72	2,445,732,587.60
Payments for the acquisition of fixed assets, intangible assets and other long-term assets	1,644,034,818.83	2,229,459,699.60
Payments for investments	356,562,777.83	2,636,079,853.45
Net increase in mortgage loans		
Net Payments for the acquisition of subsidiaries and other business entities		876,484,369.67
Other cash payments relating to investing activities	530,962,815.64	126,553,313.15
Subtotal of cash outflows from investing activities	2,531,560,412.30	5,868,577,235.87
Net cash flows from investing activities	-1,813,918,499.58	-3,422,844,648.27
III. Cash flows from financing activities		
Proceeds from investors		
Incl.: Proceeds of subsidiaries from minority shareholders' investments		
Cash receipts from borrowings	5,465,543,117.47	8,961,069,158.05
Other proceeds relating to financing activities	329,197,076.44	458,901,268.55
Subtotal of cash inflows from financing activities	5,794,740,193.91	9,419,970,426.60

Repayment of borrowings	4,327,541,972.24	7,750,861,104.95
Payment of distribution of dividends and profits or for interest	608,693,016.38	394,903,937.46
Incl.: Dividends and profits distributed by subsidiaries to minor shareholders		
Other payments relating to financing activities	823,264,123.26	713,753,915.55
Subtotal of cash outflows from financing activities	5,759,499,111.88	8,859,518,957.96
Net cash flows from financing activities	35,241,082.03	560,451,468.64
IV. Effect of exchange rate changes on cash and cash equivalents	96,575,094.20	412,200,621.26
V. Net increase in cash and cash equivalents	406,867,075.93	163,708,277.65
Add: Opening balance of cash and cash equivalents	5,644,487,018.31	5,457,026,822.70
VI. Closing balance of cash and cash equivalents	6,051,354,094.24	5,620,735,100.35

6. Standalone cash flow statement

In RMB

Item	The reporting period	The same period of the previous year
I. Cash flows from operating activities		
Proceeds from the sale of goods and rendering of services	1,443,818,515.88	1,263,974,579.05
Tax refunds received	29,497,769.17	114,584,436.24
Other proceeds relating to operating activities	1,514,065,178.51	2,848,540,868.63
Subtotal of cash inflows from operating activities	2,987,381,463.56	4,227,099,883.92
Payments for purchase of goods and receipt of services	1,465,458,913.36	1,485,613,777.47
Payments to and for employees	222,379,192.36	205,137,158.65
Taxes paid	63,148,735.28	9,503,576.65
Other payments relating to operating activities	1,536,093,507.96	2,925,607,425.96
Subtotal of cash outflows from operating activities	3,287,080,348.96	4,625,861,938.73
Net cash flows from operating activities	-299,698,885.40	-398,762,054.81
II. Cash flows from investing activities		
Proceeds from disposal of investments		798,766,541.67
Proceeds from return on investments	636,744,542.27	5,719,676.92
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	1,973,928.00	4,527,689.31
Net proceeds from the disposal of		

subsidiaries and other business entities		
Other proceeds relating to investing activities	52,970,680.65	
Subtotal of cash inflows from investing activities	691,689,150.92	809,013,907.90
Payments for the acquisition of fixed assets, intangible assets and other long-term assets	96,735,594.65	192,834,847.36
Payments for investments	35,000,000.00	2,172,517,047.69
Net payments for the acquisition of subsidiaries and other business entities		
Other payments relating to investing activities	377,108,817.47	
Subtotal of cash outflows from investing activities	508,844,412.12	2,365,351,895.05
Net cash flows from investing activities	182,844,738.80	-1,556,337,987.15
III. Cash flows from financing activities		
Proceeds from investors		
Proceeds from borrowings	2,006,208,006.67	4,210,580,000.00
Other proceeds relating to financing activities	2,229,593,452.48	2,269,632,667.18
Subtotal of cash inflows from financing activities	4,235,801,459.15	6,480,212,667.18
Repayment of borrowings	2,303,446,666.67	2,625,913,500.00
Payment of distribution of dividends and profits or for interest	522,672,772.48	291,401,627.99
Other payments relating to financing activities	1,418,793,147.62	1,720,686,959.92
Subtotal of cash outflows from financing activities	4,244,912,586.77	4,638,002,087.91
Net cash flows from financing activities	-9,111,127.62	1,842,210,579.27
IV. Effect of exchange rate changes on cash and cash equivalents	18,646,929.18	706,222.03
V. Net increase in cash and cash equivalents	-107,318,345.04	-112,183,240.66
Add: Opening balance of cash and cash equivalents	478,844,238.56	1,034,143,525.12
VI. Closing balance of cash and cash equivalents	371,525,893.52	921,960,284.46

7. Consolidated statement of changes in owners' equity

The reporting period

In RMB

Item	The reporting period													
	Owners' equity attributable to the parent											Min ority	Tota l	
	Shar	Other equity	Capi	Less	Oth	Spe	Surp	Gen	Reta	Oth	Subt			

	e capi tal	instruments			tal rese rve	: Treasury shar es	er com pre hensi ve inco me	cial rese rve	lus rese rve	eral risk rese rve	ined prof it	ers	otal	inter ests	own ers' equi ty
		Pref erre d shar es	Perp etua l bon ds	Oth ers											
I. Balance at the end of the previous year	1,709,867,327.00				8,063,768,409.73	125,906,811.33	-714,664,578.64		184,866,869.73		9,025,095,529.05		18,143,026,745.54	47,329,851.72	18,190,356,597.26
Add: Changes in accounting policies												0.00			
Correction of previous period errors												0.00			
Others												0.00			
II. Balance at the beginning of the current year	1,709,867,327.00				8,063,768,409.73	125,906,811.33	-714,664,578.64		184,866,869.73		9,025,095,529.05		18,143,026,745.54	47,329,851.72	18,190,356,597.26
III. Increase/(decrease) in the current period (decrease expressed with "-")					1,107,141.50	25,000,846.30	-82,463,528.41				135,281,884.02		28,924,650.81	-1,676,923.54	27,247,727.7
(I) Total comprehensive income							-82,463,528.41				560,600,936.27		478,137,407.86	-1,676,923.54	476,460,484.32
(II) Investment/(divestment) by shareholders					1,107,141.50	25,000,846.30							-23,893,704.80		-23,893,704.80
1. Contributions from holders of ordinary shares												0.00			
2. Contributions from holders of other equity												0.00			

instruments															
3. Share-based payments recorded in owners' equity					1,107,141.50								1,107,141.50		1,107,141.50
4. Others					25,000,846.30								-25,000,846.30		-25,000,846.30
(III) Distribution of profits										-425,319,052.25			-425,319,052.25		-425,319,052.25
1. Surplus reserve													0.00		
2. General risk reserve													0.00		
3. Distributions to owners (shareholders)										-425,319,052.25			-425,319,052.25		-425,319,052.25
4. Others													0.00		
(IV) Internal transfer of owners' equity													0.00		
1. Transfer of capital reserve to (share) capital													0.00		
2. Transfer of surplus reserve to (share) capital													0.00		
3. Make-up of losses by surplus reserve													0.00		
4. Transfer of changes in defined benefit plans to retained earnings													0.00		
5. Transfer of other													0.00		

comprehensive income to retained earnings															
6. Others													0.00		
(V) Special reserve													0.00		
1. Appropriated in the current period													0.00		
2. Used in the current period													0.00		
(VI) Others													0.00		
IV. Balance at the end of the current period	1,70 9,86 7,32 7.00				8,06 4,87 5,55 1.23	150, 907, 657. 63	- 797, 128, 107. 05		184, 866, 869. 73		9,16 0,37 7,41 3.07		18,1 71,9 51,3 96.3 5	45,6 52,9 28.1 8	18,2 17,6 04,3 24.5 3

The same period of the previous year

In RMB

Item	The same period of the previous year														
	Owners' equity attributable to the parent													Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less : Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained profit	Others	Subtotal		
	Pref erred shares	Perp etua l bonds	Oth ers												
I. Balance at the end of the previous year	1,70 9,86 7,32 7.00				8,05 4,89 4,08 0.77	125, 906, 811. 33	- 692, 976, 005. 21		135, 347, 835. 10		7,27 8,20 3,05 4.12		16,3 59,4 29,4 80.4 5	46,9 17,9 68.1 6	16,4 06,3 47,4 48.6 1
Add: Changes in accounting policies															
Correction of previous period errors															
Others															
II. Balance at the beginning of the current year	1,70 9,86 7,32 7.00				8,05 4,89 4,08 0.77	125, 906, 811. 33	- 692, 976, 005. 21		135, 347, 835. 10		7,27 8,20 3,05 4.12		16,3 59,4 29,4 80.4 5	46,9 17,9 68.1 6	16,4 06,3 47,4 48.6 1
III.					5,56		-			636,		400,	94,5	400,	

Increase/(decrease) in the current period (decrease expressed with "-")					1,266.10		242,092,889.62				665,691.99		134,068.47	31.73	228,600.20
(I) Total comprehensive income							-242,092,889.62				824,548,652.98		582,455,763.36	94,531.73	582,550,295.09
(II) Investment/(divestment) by shareholders					5,561,266.10								5,561,266.10		5,561,266.10
1. Contributions from holders of ordinary shares															
2. Contributions from holders of other equity instruments															
3. Share-based payments recorded in owners' equity					5,561,266.10								5,561,266.10		5,561,266.10
4. Others															
(III) Distribution of profits											-187,315,150.99		-187,315,150.99		-187,315,150.99
1. Surplus reserve															
2. General risk reserve															
3. Distributions to owners (shareholders)											-187,315,150.99		-187,315,150.99		-187,315,150.99
4. Others															
(IV) Internal transfer of owners'															

equity														
1. Transfer of capital reserve to (share) capital														
2. Transfer of surplus reserve to (share) capital														
3. Make-up of losses by surplus reserve														
4. Transfer of changes in defined benefit plans to retained earnings														
5. Transfer of other comprehensive income to retained earnings														
6. Others														
(V) Special reserve														
1. Appropriated in the current period														
2. Used in the current period														
(VI) Others										- 567, 810. 00		- 567, 810. 00		- 567, 810. 00
IV. Balance at the end of the current period	1,70 9,86 7,32 7.00				8,06 0,45 5,34 6.87	125, 906, 811. 33	- 935, 068, 894. 83		135, 347, 835. 10	7,91 4,86 8,74 6.11		16,7 59,5 63,5 48.9 2	47,0 12,4 99.8 9	16,8 06,5 76,0 48.8 1

8. Standalone statement of changes in owners' equity

The reporting period

In RMB

Item	The reporting period
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	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surpluses reserve	Retained profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the previous year	1,709,867.327.00				7,962,239.056.77	125,906.811.33	-350,000.000.00		184,866.869.73	482,854.237.57		9,863,920.679.74
Add: Changes in accounting policies												
Correction of previous period errors												
Others												
II. Balance at the beginning of the current year	1,709,867.327.00				7,962,239.056.77	125,906.811.33	-350,000.000.00		184,866.869.73	482,854.237.57		9,863,920.679.74
III. Increase/(decrease) in the current period (decrease expressed with "-")					1,107,141.50	25,000,846.30				-725,966.267.04		-749,859.971.84
(I) Total comprehensive income										-300,647.214.79		-300,647.214.79
(II) Investment/(divestment) by shareholders					1,107,141.50	25,000,846.30						-23,893,704.80
1. Contributions from holders of ordinary shares												
2. Contributions from holders of other equity instruments												
3. Share-based					1,107,141.5							1,107,141.5

payments recorded in owners' equity					0							0
4. Others						25,000,846.30						-25,000,846.30
(III) Distribution of profits										-425,319,052.25		-425,319,052.25
1. Surplus reserve												
2. Distributions to owners (shareholders)										-425,319,052.25		-425,319,052.25
3. Others												
(IV) Internal transfer of owners' equity												
1. Transfer of capital reserve to (share) capital												
2. Transfer of surplus reserve to (share) capital												
3. Make-up of losses by surplus reserve												
4. Transfer of changes in defined benefit plans to retained earnings												
5. Transfer of other comprehensive income to retained earnings												
6. Others												
(V) Special reserve												

1. Appropriated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balance at the end of the current period	1,709,867.327.00				7,963,346.198.27	150,907.657.63	-350,000.000.00		184,866.869.73	-243,112.029.47		9,114,060.707.90

The same period of the previous year

In RMB

Item	The same period of the previous year											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the previous year	1,709,867.327.00				7,953,356.366.17	125,906.811.33	-345,461.340.00		135,347.835.10	224,481.653.09		9,551,685.030.03
Add: Changes in accounting policies												
Correction of previous period errors												
Others												
II. Balance at the beginning of the current year	1,709,867.327.00				7,953,356.366.17	125,906.811.33	-345,461.340.00		135,347.835.10	224,481.653.09		9,551,685.030.03
III. Increase/(decrease) in the current period (decrease expressed with "-")					5,561,266.10		-4,538,660.00			-515,735.984.30		-514,713.378.20
(I) Total comprehensive income							-4,538,660.00			-328,420.833.31		-332,959.493.31
(II)					5,561,							5,561,

Investment/(divestment) by shareholders					266.10							266.10
1. Contributions from holders of ordinary shares												
2. Contributions from holders of other equity instruments												
3. Share-based payments recorded in owners' equity					5,561,266.10							5,561,266.10
4. Others												
(III) Distribution of profits										-		-
1. Surplus reserve										187,315,150.99		187,315,150.99
2. Distributions to owners (shareholders)										-		-
3. Others										187,315,150.99		187,315,150.99
(IV) Internal transfer of owners' equity												
1. Transfer of capital reserve to (share) capital												
2. Transfer of surplus reserve to (share) capital												
3. Make-up of losses by surplus reserve												

4. Transfer of changes in defined benefit plans to retained earnings												
5. Transfer of other comprehensive income to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balance at the end of the current period	1,709,867,327.00				7,958,917,632.27	125,906,811.33	-350,000.00		135,347,835.10	-291,254.33	1.21	9,036,971,651.83

III. General Information of the Company

Suzhou Dongshan Precision Manufacturing Co., Ltd. (the “Company”) is a company limited by shares converted from Suzhou Dongshan Sheet Metal Co., Ltd., and registered with the Suzhou Municipal Administration for Industry and Commerce of Jiangsu on December 24, 2007, and is headquartered in Suzhou, Jiangsu, holds a business license with unified social credit code of 91320500703719732P, and has a registered capital of RMB1,709,867,327.00, divided into 1,709,867,327 shares with a par value of RMB 1 each, of which, 319,591,987 shares are non-tradable A-shares, and 1,390,275,340 shares are tradable A-shares. The Company’s shares have been listed and traded on the Shenzhen Stock Exchange since April 9, 2010.

The Company is in the computer, communication and other electronic equipment manufacturing industry, and is primarily engaged in the provision of core devices for intelligent interconnection, including PCBs, LED display devices, touch panels, LCMs, and precision components, etc.

These financial statements are published with the approval of the 12th meeting of the 6th Board of Directors of the Company on August 18, 2024.

IV. Basis for Preparation of the Financial Statements

1. Basis for preparation

These financial statements have been prepared on the assumption that the Company is a going concern.

2. Going concern

No event or fact may cast significant doubts on the Company's ability to remain a going concern within 12 months after the end of the reporting period.

V. Significant Accounting Policies and Accounting Estimates

Note about specific accounting policies and accounting estimates: The Company has established specific accounting policies and made specific accounting estimates with respect to the impairment of financial instruments, inventories, depreciation of fixed assets, construction in progress, intangible assets, recognition of revenues and other transactions and events according to its actual production and operation characteristics.

1. Statement of compliance with the Accounting Standards for Business Enterprises ("CASBEs")

The financial statements prepared by the Company conform to the requirements of the CASBEs, and truly and completely reflect the Company's financial condition, operating results, cash flows and other related information.

2. Accounting period

The Company's accounting year is from January 1 to December 31 of each calendar year.

3. Operating cycle

The Company has a relatively short operating cycle and determines the liquidity of assets and liabilities on the basis of 12 months.

4. Functional currency

The Company adopts RMB as its functional currency, MFLEX adopts USD as its functional currency, and the subsidiaries of MFLEX, Multek and other companies adopt the currencies of the main economic environment in which they operate as their functional currencies.

5. Determination and basis for selection of materiality criteria

Applicable N/A

Item	Materiality criteria
Significant accounts receivable assessed for impairment loss individually	Individual accounts receivable accounting for over 0.5% of the total assets of the Company are recognized as significant

	accounts receivable.
Significant written off accounts receivable	Individual written off accounts receivable accounting for over 0.5% of the total assets of the Company are recognized as significant written off accounts receivable.
Significant dividends receivable aged over one year	Individual dividends receivable aged over one year and accounting for over 0.5% of the total assets of the Company are recognized as significant dividends receivable aged over one year.
Significant constructions in progress	Individual constructions in progress accounting for over 0.5% of the total assets of the Company are recognized as significant constructions in progress.

6. Accounting treatment of business combinations involving entities under common control and not under common control

(1) Accounting treatment of business combinations involving entities under common control

Assets and liabilities acquired from a business combination by the Company are measured at the carrying value of the assets and liabilities of the acquiree in the consolidated financial statements of the ultimate controller at the combination date. The difference between the carrying value of the owners' equity of the acquiree as stated in the consolidated financial statements of the ultimate controller and the carrying value of the total consideration paid or total par value of the shares issued in connection with the combination is treated as an adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is charged against the retained earnings.

(2) Accounting treatment of business combinations involving entities not under common control

Where the cost of the combination exceeds the Company's share of the fair value of the acquiree's net identifiable assets, the difference is recognized as goodwill at the acquisition date. Where the cost of combination is lower than the Company's share of the fair value of the acquiree's net identifiable assets, the Company reviews the measurement of the fair value of each of the identifiable assets, liabilities and contingent liabilities acquired from the acquiree and the cost of combination, and if the cost of combination as reviewed is still lower than the Company's share of the fair value of the acquiree's net identifiable assets, the difference is recognized in profit or loss.

7. Determination of control and method of preparation of consolidated financial statements

(1) Determination of control

Control means that the Company has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

(2) Method of preparation of consolidated financial statements

The parent includes all of its controlled subsidiaries in its consolidated financial statements. The consolidated financial statements are prepared by the parent in accordance with CASBE 33 “Consolidated Financial Statements”, on the basis of the respective financial statements of the parent and its subsidiaries, by reference to other relevant data.

8. Classification of joint arrangements and accounting treatment of joint operations

(1) Joint arrangements are classified as joint operations and joint ventures.

(2) When the Company is a party to a joint operation, the Company recognizes the following items relating to its interest in the joint operation:

- 1) the assets individually held by the Company, and the Company’s share of the assets held jointly.
- 2) the liabilities incurred individually by the Company, and the Company’s share of the liabilities incurred jointly.
- 3) the Company’s revenue from the sale of its share of the output of the joint operation.
- 4) the Company’s share of revenue from the sale of assets by the joint operation.
- 5) the expenses incurred individually by the Company, and the Company’s share of the expenses incurred jointly.

9. Recognition of cash and cash equivalents

For the purpose of the statement of cash flows, cash comprises cash on hand and demand deposits, and cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Translation of foreign currency transactions and foreign currency financial statements

(1) Translation of foreign currency transactions

Upon initial recognition, foreign currency transactions are translated into RMB using the approximate exchange rates of spot exchange rates at the transaction dates. At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates then prevailing. Exchange differences arising from such translations are recognized in profit or loss, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets and accrued interest. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the approximate exchange rates of spot exchange rates at the transaction dates, without adjusting the amounts

in RMB. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rates prevailing at the dates the fair value was determined, with the exchange differences arising from such translations recognized in profit or loss or other comprehensive income.

(2) Translation of foreign currency financial statements

The asset and liability items in the balance sheet are translated at the spot exchange rates prevailing at the balance sheet date. The owners' equity items other than "retained profits" are translated at the spot exchange rates prevailing at the transaction dates. The income and expense items in the income statement are translated at the approximate exchange rates of spot exchange rates at the transaction dates. The differences arising from such translation of foreign currency financial statements are recognized in other comprehensive income.

11. Financial instruments

1. Classification of financial assets and financial liabilities

Upon initial recognition, financial assets are classified as: (i) financial assets at amortized cost; (ii) financial assets at fair value through other comprehensive income; and (iii) financial assets at fair value through profit or loss.

Upon initial recognition, financial liabilities are classified as: (i) financial liabilities at fair value through profit or loss; (ii) financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred; (iii) financial guarantee contracts not falling under items (i) and (ii), and loan commitments not falling under item (i) and below market interest rate; and (iv) financial liabilities at amortized cost.

2. Recognition, measurement and derecognition of financial assets and financial liabilities

(1) Recognition and initial measurement of financial assets and financial liabilities

When the Company becomes a party to a financial instrument contract, a financial asset or liability is recognized. Financial assets and liabilities are initially measured at fair value. Transaction costs relating to financial assets or liabilities at fair value through profit or loss are directly recognized in profit or loss. Transaction costs relating to other kinds of financial assets or liabilities are included in their initially recognized amount. However, the accounts receivable that do not contain any significant financing component or are recognized by the Company without taking into consideration the significant financing components under the contracts with a term of less than one year upon initial recognition are initially measured at transaction price as defined in CASBE 14 "Revenue".

(2) Subsequent measurement of financial assets

1) Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. Gains or losses on financial assets at amortized cost that do not belong to any hedging relationship are recognized in profit or loss upon derecognition, reclassification, amortization using the effective interest method, or recognition of impairment.

2) Investments in debt instruments at fair value through other comprehensive income

Investments in debt instruments at fair value through other comprehensive income are subsequently measured at fair value. Interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method are recognized in profit or loss, while other gains or losses are recognized in other comprehensive income. Upon derecognition, the aggregate gains or losses previously recognized in other comprehensive income are transferred to profit or loss.

3) Investments in equity instruments at fair value through other comprehensive income

Investments in equity instruments at fair value through other comprehensive income are subsequently measured at fair value. Dividends received (other than those received as recovery of investment cost) are recognized in profit or loss, while other gains or losses are recognized in other comprehensive income. Upon derecognition, the aggregate gains or losses previously recognized in other comprehensive income are transferred to retained earnings.

4) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are subsequently measured at fair value. Gains or losses thereon, including interest and dividend income, are recognized in profit or loss, except the financial assets belonging to any hedging relationship.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives classified as financial liabilities), and financial liabilities directly designated as at fair value through profit or loss. Such financial liabilities are subsequently measured at fair value. Changes in the fair value of financial liabilities designated as at fair value through profit or loss arising out of changes in the Company's credit risk are recognized in other comprehensive income, unless such treatment will result in or increase any accounting mismatch in profit or loss. Other gains or losses on such financial liabilities, including interest expenses and changes in fair value not arising out of changes in the Company's credit risk, are recognized in profit or loss, except the financial liabilities belonging to any hedging relationship. Upon derecognition, the aggregate gains or losses previously recognized in other comprehensive income are transferred to retained earnings.

2) Financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred

Such financial liabilities are measured in accordance with CASBE 23 “Transfer of Financial Assets”.

3) Financial guarantee contracts not falling under items 1) and 2), and loan commitments not falling under item 1) and below the market interest rate

Such financial liabilities are subsequently measured at the higher of (i) allowance for impairment losses determined according to the policy for impairment of financial instruments; and (ii) balance of the initially recognized amount after deduction of the accumulated amortization determined in accordance with CASBE 14 “Revenue”.

4) Financial liabilities at amortized cost

Financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest method. Gains or losses on financial liabilities at amortized cost that do not belong to any hedging relationship are recognized in profit or loss upon derecognition or amortization using the effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

- ① the contractual right to receive cash flows from the financial assets has expired; or
- ② the financial assets have been transferred and such transfer meets the criteria for derecognition of financial assets as set forth in CASBE 23 “Transfer of Financial Assets”.

2) A financial liability (or part thereof) is derecognized when all or part of the outstanding obligations thereunder have been discharged.

3. Determination and measurement of financial assets transferred

When a financial asset of the Company is transferred, if substantially all the risks and rewards incidental to the ownership of the financial asset have been transferred, the financial asset is derecognized, and the rights and obligations incurred or retained in such transfer are separately recognized as assets or liabilities (as the case may be); if the Company has retained substantially all the risks and rewards incidental to the ownership of the financial asset, the Company continues to recognize the financial asset transferred. If the Company neither transferred nor retained a substantial portion of all risks and rewards incidental to the ownership of the financial asset, then: (i) if the Company does not retain control over the financial asset, the financial asset is derecognized, and the rights and obligations incurred or retained in such transfer are separately recognized as assets or liabilities (as the case may be); or (ii) if the Company retains control over the financial asset, the financial asset continues to be recognized to

the extent of the Company's continuing involvement in the financial asset transferred, and a corresponding liability is recognized.

If an entire transfer of a financial asset meets the criteria for derecognition, the difference between (i) the carrying value of the financial asset transferred at the date of derecognition; and (ii) the sum of the consideration received from the transfer and the portion of the cumulative amount of changes in fair value directly recorded as other comprehensive income originally that corresponds to the part derecognized (where the financial asset transferred is an investment in debt instruments at fair value through other comprehensive income) is recognized in profit or loss.

If part of a financial asset is transferred and the part transferred entirely meets the criteria for derecognition, the total carrying value of the financial asset immediately prior to the transfer is allocated between the part derecognized and the part not derecognized in proportion to their relative fair value at the date of transfer, and the difference between (i) the carrying value of the part derecognized; and (ii) the sum of the consideration received from the transfer of the part derecognized and the portion of the cumulative amount of changes in fair value directly recorded as other comprehensive income originally that corresponds to the part derecognized (where the financial asset transferred is an investment in debt instruments at fair value through other comprehensive income) is recognized in profit or loss.

4. Determination of fair value of financial assets and financial liabilities

The Company adopts the valuation techniques applicable to the current situations and with sufficient data available and support of other information, to determine the fair value of financial assets and financial liabilities. The Company classifies the inputs used by the valuation techniques in the following levels and uses them in turn:

(1) Level 1 inputs: quoted market price (unadjusted) in an active market for an identical asset or liability available at the date of measurement.

(2) Level 2 inputs: inputs other than inputs included within Level 1 that are observable directly or indirectly. This category includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, observable inputs other than quoted prices (such as interest rate and yield curves observable during regular intervals of quotation), and inputs validated by the market.

(3) Level 3 inputs: inputs that are unobservable. This category includes interest rate or stock volatility that cannot be directly observed or validated by observable market data, future cash flows from retirement obligations incurred in business combinations, and financial forecasts made using own data.

5. Impairment of financial instruments

The Company determines the impairment and assesses allowance for impairment of financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, lease

payments receivable, loan commitments other than financial liabilities designated at fair value through profit or loss, and financial guarantee contracts other than financial liabilities designated at fair value through profit or loss and financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred, on the basis of expected credit losses.

Expected credit loss is the weighted average of credit losses on financial instruments taking into account the possibility of default. Credit loss is the present value of the difference between all contractual cash flows receivable under the contract and estimated future cash flows discounted at the original effective interest rate, i.e. the present value of all cash shortages, where the Company's purchased or originated financial assets that have become credit impaired are discounted at their credit-adjusted effective interest rate.

With respect to purchased or originated financial assets that have become credit impaired, at the balance sheet date, the Company recognizes an impairment loss equal to the cumulative amount of changes in lifetime expected credit losses since initial recognition.

With respect to lease payments receivable, accounts receivable arising from transactions within the meaning of CASBE 14 "Revenue", the Company uses the simplified measurement method and recognizes an impairment loss equal to the lifetime expected credit losses.

With respect to financial assets not using the measurement methods stated above, at each balance sheet date, the Company assesses whether the credit risk has increased significantly since initial recognition, and recognizes an impairment loss equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition, or to the expected credit losses within the next 12 months if the credit risk has not increased significantly since initial recognition.

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

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

The Company assesses expected credit risk and measures expected credit losses of financial instruments individually or collectively. When assessing the financial instruments collectively, the Company includes the financial instruments in different groups according to their common risk characteristics.

At each balance sheet date, the Company re-assesses the expected credit losses, with the amount of increase in or reversal of impairment loss recognized in profit or loss as impairment losses or gains. With respect to a financial

asset at amortized cost, its carrying value recorded in the balance sheet is written off against the impairment loss. With respect to an investment in debt instruments at fair value through other comprehensive income, the Company recognizes the impairment loss in other comprehensive income, without reducing its carrying value.

6. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and presented on a net basis in the balance sheet only if: (i) the Company has a currently enforceable legal right to offset the recognized amounts; and (ii) the Company has an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously. Except as stated above, financial assets and financial liabilities are presented in the balance sheet separately, without offsetting each other. With respect to the transfer of financial assets not meeting the criteria for derecognition, the Company does not offset the financial assets transferred against the relevant liabilities.

12. Notes receivable

13. Accounts receivable

14. Accounts receivable financing

15. Other receivables

16. Contract assets

Contract assets or contract liabilities are presented in the balance sheet according to the relationship between the relevant performance obligations and payment by the customer. Contract assets and contract liabilities under the same contract are presented on a net basis.

The right of the Company to payment that is unconditional, except for the passage of time, is presented as an account receivable. The right of the Company to payment for goods already transferred to a customer is presented as a contract asset if that right to payment is conditional on something other than the passage of time.

The Company's obligation to transfer goods to a customer in exchange for the consideration paid or payable by the customer is presented as a contract liability.

17. Inventories

1. Classification of inventories

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

2. Valuation of inventories dispatched

The value of inventories dispatched is determined using the weighted average method at the end of the month in which they were dispatched.

3. Inventory system

The perpetual inventory system is adopted.

4. Amortization of low-value consumables and packing materials

(1) Low-value consumables

Low-value consumables are amortized using the immediate write-off method.

(2) Packing materials

Packing materials are amortized using the immediate write-off method.

5. Inventory provision

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. An amount equal to the cost of an inventory in excess of its net realizable value is recognized as an inventory provision. The net realizable value of inventories held directly for sale is the estimated selling price of such inventories less the estimated selling expenses and related taxes in the ordinary course of business. The net realizable value of inventories to be further processed is the estimated selling price of finished goods less the estimated cost of completion, estimated selling expenses and related taxes in the ordinary course of business. At the balance sheet date, if part of an inventory has a contract price while the remaining part thereof does not have a contract price, the net realizable value is determined separately, which is compared with their cost, to determine the amount of the inventory provision recognized or reversed (as applicable).

18. Assets held for sale

19. Debt investments

20. Other debt investments

21. Long-term receivable

22. Long-term equity investments

1. Determination of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Significant influence is the

power to participate in the financial and operating policy-making of an entity, but is not control or joint control over those policies.

2. Determination of investment cost

(1) For an equity investment acquired through a business combination involving entities under common control, if the acquirer pays consideration for the business combination by cash, transfer of non-monetary assets, assumption of liabilities or issuance of equity securities, the initial investment cost of the long-term equity investment is the Company's share of the carrying value of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controller at the combination date. The difference between: (i) the initial investment cost of the long-term equity investment; and (ii) the carrying value of the consideration paid for the combination or the total par value of the shares issued (as applicable) is treated as an adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is charged against the retained earnings.

If a business combination is affected through multiple transactions by steps that constitute a package deal, the Company accounts for such transactions as one deal to gain control. If such transactions do not constitute a package deal, the initial investment cost is the Company's share of the carrying value of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controller at the combination date; and the difference between: (i) the initial investment cost of the long-term equity investment at the combination date; and (ii) the sum of the carrying value of long-term equity investment before the combination and the carrying value of the consideration paid for acquisition of the additional shares at the combination date is treated as an adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is charged against the retained earnings.

(2) For an equity investment acquired through a business combination involving entities not under common control, the initial investment cost is the fair value of the aggregate consideration paid at the date of acquisition.

With respect to a long-term equity investment acquired through a business combination involving entities under common control that is affected through multiple transactions by steps, the accounting thereof in the standalone financial statements is different from that in the consolidated financial statements as stated below:

1) In the standalone financial statements, the sum of the carrying value of the equity investment originally held in the acquiree and the additional investment cost incurred is recorded as the initial investment cost of the equity investment changed into the cost method.

2) In the consolidated financial statements, if the transactions constitute a package deal, the Company accounts for such transactions as one deal to gain control. If such transactions do not constitute a package deal, the equity held

in the acquiree prior to the acquisition date is remeasured at its fair value at the acquisition date, with the difference between its fair value and carrying value recognized as an investment income for the current period; if the equity held in the acquiree prior to the acquisition date involves other comprehensive income under the equity method, such other comprehensive income is transferred to the income for the period in which the acquisition date falls, except for other comprehensive income arising from remeasurement of changes in net liabilities or net assets of defined benefit plans.

(3) For an equity investment not acquired through business combination, the initial investment cost is the purchase price actually paid if it is acquired by cash, or the fair value of the equity securities issued if it is acquired through issuance of equity securities, or in accordance with CASBE 12 “Debt Restructuring” if it is acquired through debt restructuring, or CASBE 7 “Exchange of Non-monetary Assets” if it is acquired through exchange of non-monetary assets.

3. Subsequent measurement and recognition of profit or loss

Long-term equity investments in investees over which the Company exercises control are accounted for using the cost method. Long-term equity investments in associates and joint ventures are accounted for using the equity method.

4. Disposal of investment in a subsidiary through multiple transactions by steps until loss of control over the subsidiary

(1) Criteria for determining a package deal

Where the Company loses control over a subsidiary due to the disposal of equity investment in the subsidiary through multiple transactions by steps, the Company determines whether such transactions constitute a package deal taking into account the transaction contract terms, consideration received, the transferee of the equity sold, method of disposal, time of disposal and other information in respect of each step. If the terms, conditions and financial effect of such transactions fall under one or more of the circumstances set forth below, such transactions are accounted for as a package deal generally:

- 1) such transactions are concluded simultaneously or in consideration of their mutual effect.
- 2) such transactions will achieve a complete business result only as a whole.
- 3) the occurrence of a transaction depends on the occurrence of at least another transaction; and/or
- 4) a transaction may be uneconomical when considered individually, but is economical when considered together with other transactions.

(2) Accounting treatment of transactions not constituting a package deal

1) Standalone financial statements

The difference between the carrying value of the equity disposed of and the disposal proceeds actually received is recognized in profit or loss. If the remaining equity empowers the Company to exercise significant influence or joint control over the investee, the remaining equity is accounted for using the equity method; if the remaining equity does not empower the Company to exercise control, joint control or significant influence over the investee, the remaining equity is accounted for in accordance with CASBE 22 “Recognition and Measurement of Financial Instruments”.

2) Consolidated financial statements

Before the loss of control, the difference between the disposal proceeds and the Company’s share of the net assets of the subsidiary corresponding to the long-term equity investment disposed of as calculated continuously from the acquisition date or combination date is treated as an adjustment to the capital reserve (capital premium). In case the capital premium is not sufficient to absorb the difference, the remaining balance is charged against the retained earnings.

Upon loss of control, the remaining equity is remeasured at its fair value at the date of loss of control. The sum of the consideration received from the disposal of the equity and the fair value of the remaining equity, net of the Company’s share of the net assets of the subsidiary as calculated continuously from the acquisition date according to the original shareholding ratio, is included in the investment income for the period during which the control was lost, and charged against goodwill. Other comprehensive income related to the equity investment in the subsidiary is transferred to the investment income for the period during which the control was lost.

(3) Accounting treatment of transactions constituting a package deal

1) Standalone financial statements

The Company accounts for such transactions as one deal to dispose of and lose control over the subsidiary; however, in the standalone financial statements, the difference between the proceeds from each disposal before loss of control and the carrying value of the long-term equity investment corresponding to the equity disposed of is recognized in other comprehensive income, which is wholly transferred to profit or loss in the period during which the control was lost.

2) Consolidated financial statements

The Company accounts for such transactions as one deal to dispose of and lose control over the subsidiary; however, in the consolidated financial statements, the difference between the proceeds from each disposal before loss of control and the Company’s share of the net assets of the subsidiary corresponding to the equity disposed of is

recognized in other comprehensive income, which is wholly transferred to profit or loss in the period during which the control was lost.

23. Investment property

1. Investment properties include land use rights leased out or held for appreciation and buildings and structures leased out.
2. An investment property is measured initially at cost, and subsequently using the cost model, and depreciated or amortized using the same method as fixed assets and intangible assets.

24. Fixed assets

(1) Criteria for recognition

Fixed assets are tangible assets held for the production of goods, rendering of service, lease or operation and management with a useful life of more than one accounting year. A fixed asset is recognized if the economic benefits relating to it are very likely to flow to the Company and its cost can be reliably measured.

(2) Depreciation

Category	Method of depreciation	Estimated useful life (years)	Rate of residual value (%)	Annual rate of depreciation
Buildings and structures	Straight line method	20-30	5	3.17-4.75
Machinery and equipment	Straight line method	5-10	5	9.50-19.00
Transportation equipment	Straight line method	5	5	19.00
Office equipment and others	Straight line method	5	5	19.00

25. Construction in progress

1. A construction in progress is recognized if the economic benefits relating to it are very likely to flow to the Company and its cost can be reliably measured. Construction in progress is measured at the actual cost incurred before it is completed and ready for the intended use.
2. When a construction in progress is ready for intended use, it is transferred to fixed assets at its actual construction cost. A construction in progress that is ready for intended use but the final settlement of which has not yet been completed is transferred to fixed assets at estimated value first, and after the completion of the final settlement, the estimated value is adjusted according to the actual cost, without adjusting the accumulated depreciation.

Category	Criteria and time for transfer of construction in progress to fixed assets
Machinery and equipment	Meet the design requirements or agreed standards after installation and commissioning
Buildings and structures	Meet the building completion acceptance criteria

26. Borrowing costs

1. Recognition of capitalization of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset when they meet the condition for capitalization. Other borrowing costs are expensed when they are incurred and recognized in profit or loss.

2. Period of capitalization of borrowing costs

(1) A borrowing cost is capitalized when all of the following conditions are satisfied: (i) the expenditures on the asset have already been incurred; (ii) the borrowing cost has already been incurred; and (iii) the acquisition, construction or production activities necessary to prepare the asset for its intended use or sale have already commenced.

(2) Capitalization of borrowing costs is suspended during the period of abnormal interruption of acquisition, construction or production of a qualifying asset which lasts for more than three consecutive months. The borrowing costs incurred during the period of suspension are recognized as expenses for the current period. The capitalization of borrowing costs is suspended until the resumption of acquisition, construction or production activities.

(3) Capitalization of borrowing costs ceases when a qualifying asset acquired, constructed or produced gets ready for its intended use or sale.

3. Rate and amount of capitalization of borrowing costs

For borrowings obtained specially for the acquisition, construction or production of a qualifying asset, the amount of capitalization of the borrowing costs is the cost of the borrowings actually incurred in the current period (including amortized discount or premium determined using the effective interest method) less the interest income from the part of borrowings that has not yet been utilized and is deposited in banks or investment income from temporary investment of the borrowings. For general borrowings occupied for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by multiplying the weighted average of the excess of cumulative expenditures on the asset over the special-purpose borrowings by the capitalization rate of the general borrowings occupied.

27. Biological assets**28. Oil and gas assets****29. Intangible assets****(1) Useful life and basis for determination of useful life, estimates, method of amortization or review procedure**

1. Intangible assets, including land use rights, patents, non-patent technologies, etc., are initially measured at cost.
2. An intangible asset with a finite useful life is amortized in a systematic and reasonable manner according to the pattern in which the economic benefits related to the intangible asset are expected to be realized, or if that pattern cannot be determined reliably, using the straight-line method as follows:

Item	Useful life and basis for determination of useful life (years)	Method of amortization
Land use rights	50	Straight line method
Development expenses	5	Straight line method
Software	3	Straight line method
Trademarks and patents	10	Straight line method
Customer resources	10	Straight line method

Intangible asset with indefinite useful life is not amortized, but its useful life is reviewed annually.

(2) Scope and accounting treatment of research and development (R&D) expenses**3. Scope of R&D expenses****(1) Labor costs**

Labor costs comprise the wages, salaries, basic pension insurance, basic medical insurance, unemployment, worker's compensation insurance, maternity insurance and housing provident fund contributions paid to or for the R&D personnel, and service fees of the outsourced R&D personnel.

With respect to the R&D personnel serving a number of R&D projects concurrently, their labor costs are allocated to the relevant R&D projects on a pro-rata basis according to the record of working hours spent by them in such R&D projects as provided by the administrative department.

With respect to the Company's own R&D personnel and outsourced R&D personnel who are directly engaged in R&D activities and also engaged in non-R&D activities, their labor costs actually incurred are allocated between R&D expenses and production and business expenses on a pro-rata basis in proportion to the percentage of working hours spent by them on different posts as recorded, or otherwise reasonably.

(2) Direct costs

Direct costs refer to the costs actually incurred by the Company in connection with R&D activities, including (i) costs of materials, fuels and powers directly consumed; (ii) costs of development and fabrication of molds and process equipment used in pilot trials and trial production, purchasing costs of samples, prototypes and general testing methods not classified as fixed assets, and inspection costs of trial produces; and (iii) operation, maintenance, calibration, inspection, testing, repair and other costs of instruments and equipment used in R&D activities.

(3) Depreciation expenses and long-term deferred expenses

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

With respect to the instruments, equipment and buildings used in both R&D activities and non-R&D activities, the depreciation expenses actually incurred are allocated between R&D expenses and production and business expenses according to the actual working hours and area used as recorded, or otherwise reasonably.

Long-term deferred expenses refer to the long-term deferred expenses incurred in the alteration, modification, renovation and repair of R&D facilities, which are recorded according to the amounts actually spent, and amortized on a straight-line basis over the defined period.

(4) Amortization expenses of intangible assets

Amortization expenses of intangible assets refer to the amortization expenses of software, intellectual properties, and non-patented technologies (know-how, licenses, designs, computing methods, etc.) used in R&D activities.

(5) Design costs

Design costs refer to the costs incurred in the design of processes, technical specifications, rules of operation and operating features in connection with the concept, development and manufacturing of new products and new processes, including the costs of creative design activities conducted for the purpose of developing innovative, creative and breakthrough products.

(6) Equipment commissioning costs and testing costs

Equipment commissioning costs refer to the costs incurred during the equipment preparation phase of R&D activities, including the costs of developing special-purpose production machines, changing production and quality control procedures, developing new approaches and standards, etc.

The costs incurred for general equipment preparation and industrial engineering in connection with large-scale mass and commercial production are excluded from the scope of aggregation.

Testing costs include clinical trial costs for the development of new drugs, field trial costs for exploration and development technologies, field experiment costs, etc.

(7) Outsourced R&D expenses

Outsourced R&D expenses refer to the expenses of R&D activities that the Company engages external entities or individuals at home or abroad to conduct, provided that the results of such R&D activities will be owned by the Company and such R&D activities are closely related to the primary business of the Company.

(8) Other expenses

Other expenses refer to the expenses that are not set forth above and directly related to R&D activities, including the expenses of technical documents and data, translation, advisors and consultants, high and new technology R&D insurance, retrieval, verification, evaluation, appraisal and acceptance inspection of R&D achievements, application, registration and agency service in respect of intellectual properties, meetings, travel, communication, etc.

4. Expenditures on an internal R&D project at the research phase are recognized in profit or loss in the period in which they are incurred. Expenditures on an internal R&D project at the development phase are recognized as an intangible asset if: (i) it is technically feasible to complete the intangible asset so that it will be available for use of sale; (ii) it is intended to complete the intangible asset so that it will be available for use of sale; (iii) the pattern in which the intangible asset will generate economic results 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; (iv) there are sufficient technical, financial and other resources available to complete the development activities and to use or sell the intangible asset; and (v) the expenditures attributable to the development of the intangible asset can be reliably measured.

30. Impairment of long-term assets

With respect to long-term equity investments, investment properties at cost, fixed assets, construction in progress, productive biological assets at cost, oil and gas assets, right-of-use assets, intangible assets with a finite useful life and other long-term assets, if there's an indication of impairment at the balance sheet date, the Company assesses their recoverable amount. Goodwill arising from business combinations and intangible assets with an infinite useful life are tested for impairment every year regardless of whether there's an indication of impairment. Goodwill is tested for impairment together with the relevant groups of assets or combinations of groups of assets.

If the recoverable amount of a long-term asset is less than its carrying value, the difference is measured as an impairment loss on the asset and recognized in profit or loss.

31. Long-term deferred expenses

Long-term deferred expenses are expenses that have already been incurred but should be amortized over a period of more than one year. Long-term deferred expenses are stated as the amount actually incurred, and equally amortized over the benefit period or established period. If an item of long-term deferred expenses will not benefit the subsequent periods, the remaining unamortized balance of the item is wholly transferred to profit or loss.

32. Contract liabilities

Contract assets or contract liabilities are presented in the balance sheet according to the relationship between the relevant performance obligations and payment by the customer. Contract assets and contract liabilities under the same contract are presented on a net basis.

The Company's rights to receive consideration from customers unconditionally (which depends only on the passage of time) are presented as receivables, and the Company's rights to receive consideration for goods transferred to customers (which depends on factors other than the passage of time) are presented as contract assets.

The Company's obligation to transfer goods to a customer in exchange for the consideration paid or payable by the customer is presented as a contract liability.

33. Employee benefits

(1) Accounting treatment of short-term employee benefits

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

2. Accounting treatment of short-term employee benefits

The short-term employee benefits actually incurred are recognized as liabilities in the accounting period during which employee services are rendered and included in profit or loss or the cost of related assets.

(2) Accounting treatment of post-employment benefits

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

(1) In the accounting period during which employee services are rendered, the amount contributable as calculated according to the defined contribution plan is recognized as liabilities and included in profit or loss or the costs of related assets.

(2) The accounting treatment of a defined benefit plan generally involves the following steps:

- 1) According to the projected unit credit method, use unbiased and consistent actuarial assumptions to estimate demographic variables and financial variables, measure the obligation arising from the defined benefit plan and determine the period to which the relevant obligation belongs. Meanwhile, discount the obligation arising from the defined benefit plan, in order to determine the present value of the benefit plan obligation and the current service cost.
- 2) If the defined benefit plan has assets, the deficit or surplus resulting after reducing the present value of the defined benefit obligation by the fair value of the defined benefit plan is recognized as a net liability or asset of the defined benefit plan. If the defined benefit plan has a surplus, the net assets of the defined benefit plan are measured at the lower of surplus in the defined benefit plan and asset ceiling.
- 3) At the end of the current period, the cost of employee benefits arising from the defined benefit plan is recorded as service cost, net interest on the net liabilities or net assets of the defined benefit plan, and changes arising from remeasurement of the net liabilities or net assets of the defined benefit plan, where the service cost and the net interest on the net liabilities or net assets of the defined benefit plan are included in profit or loss or the cost of related assets, and the changes arising from remeasurement of the net liabilities or net assets of the defined benefit plan are included in other comprehensive income, which will not be reversed to profit or loss in subsequent periods, but may be transferred within the scope of equity.

(3) Accounting treatment of termination benefits

When the Company can no longer withdraw the offer of termination benefits as a result of termination of employment or redundancy, or recognizes the restructuring costs or expenses relating to payment of termination benefits, whichever the earlier, the employee benefit liabilities arising from recognition of termination benefits are recognized in profit or loss.

(4) Accounting treatment of other long-term employee benefits

Other long-term employee benefits are accounted for in accordance with the provisions applicable to defined contribution plans if they are qualified as defined contribution plans, otherwise, are accounted for in accordance with the provisions applicable to defined benefit plans. In order to simplify the accounting, the total net amount of the cost of employee benefits arising from the defined benefit plans that is recorded as service cost, net interest on the net liabilities or net assets of the defined benefit plan, changes arising from remeasurement of the net liabilities or net assets of the defined benefit plan and other components is included in profit or loss or the cost of related assets.

34. Provisions

1. Provisions are recognized when the Company has a present obligation as a result of any external guarantee, litigations, product quality warranty, onerous contract or other contingencies, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured.
2. Provisions are initially measured according to the best estimates of the expenditures required to settle the related present obligations. The carrying value of provisions is reviewed at the balance sheet date.

35. Share-based payments

1. Types of share-based payments

Share-based payments include equity-settled share-based payments and cash-settled share-based payments.

2. Accounting treatment of implementation, amendment and termination of share-based payment plans

(1) Equity-settled share-based payment

With respect to an equity-settled share-based payment that is granted in exchange for the services of employees, if the right can be immediately exercised after the grant, at the date of the grant, the fair value of the equity instruments is included in the relevant costs or expenses, and the capital reserve is adjusted accordingly; if the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, at each balance sheet date within the vesting period, the services received in the current period are, based on the best estimate of the exercisable equity, included in the relevant costs or expenses at the fair value of the equity instruments at the date of grant, and the capital reserve is adjusted accordingly.

An equity-settled share-based payment that is granted in exchange for the services of any other party is measured at fair value at the date of receipt of such services if the fair value of such services can be reliably measured, or at the fair value of the equity instruments at the date of receipt of such services if the fair value of such services cannot be reliably measured but the fair value of the equity instruments can be reliably measured. The services are included in the relevant costs or expenses, and the owners' equity is increased accordingly.

(2) Cash-settled share-based payment

With respect to a cash-settled share-based payment that is granted in exchange for the services of employees, if the right can be immediately exercised after the grant, at the date of grant, the fair value of the liability undertaken by the Company is included in the relevant costs or expenses, and the liabilities are increased accordingly; if the right

may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, at each balance sheet date within the vesting period, the services received in the current period are, based on the best estimate about the exercisable right, included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Company.

(3) Amendment and termination of share-based payment plans

If such amendment results in an increase in the fair value of the equity instruments granted, the Company recognizes a corresponding increase in the services received according to the increase in the fair value of the equity instruments.

If such amendment results in an increase in the number of the equity instruments granted, the Company recognizes a corresponding increase in the services received according to the fair value of the additional equity instruments granted. If the Company amends the vesting conditions in a manner favorable to the employees, the Company will take into account the vesting conditions as amended in the accounting thereof.

If such amendment results in a decrease in the fair value of the equity instruments granted, the Company continues to recognize the services received based on the fair value of the equity instruments at the date of grant, without taking into account the decrease in the fair value of the equity instruments. If such amendment results in a decrease in the number of the equity instruments granted, the portion of the equity instruments reduced is deemed canceled. If the Company amends the vesting conditions in a manner unfavorable to the employees, the Company will not take into account the vesting conditions as amended in the accounting thereof.

If, during the vesting period, the Company cancels or settles any equity instruments granted (except for those canceled due to failure to satisfy the vesting conditions), such cancellation or settlement is treated as an acceleration of vesting, and the amount that would have been recognized in the remaining vesting period is recognized immediately.

36. Preferred shares, perpetual bonds and other financial instruments

37. Revenue

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

1. Revenue recognition principle

At contract commencement, the Company assesses a contract to identify each single performance obligation included in the contract and whether such performance obligation shall be satisfied over time or at a point in time.

A performance obligation shall be satisfied over time if it meets one of the following conditions, otherwise, it shall

be satisfied at a point in time: (i) the customer simultaneously receives and consumes the benefits provided by the Company's performance; (ii) the customer can control the work in process created during the Company's performance; or (iii) the Company's performance does not create the goods with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

With respect to a performance obligation satisfied over time, the Company recognizes revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Company is unable to reasonably measure the progress of a performance obligation, but expects to recover the costs incurred in satisfying the performance obligation, the Company recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the progress of the performance obligation. With respect to a performance obligation satisfied at a point in time, the Company recognizes revenue when the customer obtains control of the relevant goods or services. In determining whether the customer has obtained control of any goods, the Company considers the following indicators: (i) the Company has a present right to payment for the goods, i.e. the customer presently is obliged to pay for the goods; (ii) the Company has transferred the legal title to the goods to the customer, i.e. the customer has the legal title to the goods; (iii) the Company has transferred physical possession of the goods to the customer, i.e. the customer physically possesses the goods; (iv) the Company has passed the significant risks and rewards of ownership of the goods to the customer, i.e. the customer has the significant risks and rewards of ownership of the goods; (v) the customer has accepted the goods; and (vi) other indicators showing that the customer has obtained control of the goods.

2. Revenue measurement principle

(1) The Company measures revenue according to the transaction price allocated to each performance obligation. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the relevant goods or services to a customer, excluding the amounts collected on behalf of third parties or expected to be returned to the customer.

(2) If a contract has any variable consideration, the Company determines the best estimate of the variable consideration according to the expected value or the most likely amount, but the Company shall include in the transaction price some or all of an amount of variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) If a contract contains a significant financing component, the Company determines the transaction price according to the amount that the customer would have paid for the goods or services if it had paid cash when it obtained control

of the goods or services. The difference between such transaction price and the contract consideration is amortized over the term of the contract using the effective interest method.

(4) If a contract includes two or more performance obligations, at contract commencement, the Company allocates the transaction price to each performance obligation on a relative standalone selling price basis.

3. Methods of revenue recognition

The Company is primarily engaged in the sale of PCBs, LED display devices, touch panels and LCMs, precision components and other products, the revenues from which constitute performance obligations to be satisfied at a point in time. Revenue from sale of products on the domestic market is recognized when the Company has delivered the products to the agreed place of delivery which has been accepted by the customer, has received or has a present right to payment for the products, and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue from sale of products on the overseas market is recognized when the products delivered by the Company pursuant to the contract have been cleared through customs, and the Company has received the relevant export declaration form and bill of lading, has received or has a present right to payment for the products, and it is probable that the economic benefits associated with the transaction will flow to the Company. Different methods of revenue recognition and measurement for the same business type adopts different business models.

38. Contract costs

Contract acquisition costs, i.e. the incremental cost of acquiring a contract, are recognized as an asset if they are expected to be recovered, and if the amortization period is no more than one year, are directly recorded in profit or loss in the period in which they are incurred.

Contract performance costs, i.e. the costs of fulfilling a contract, are recognized as an asset if they are not addressed by the standards on inventories, fixed assets and intangible assets and meet all of the following conditions:

1. the costs relate directly to a contract or to an anticipated contract, including direct labor, direct material, manufacturing costs (or similar costs), costs that are explicitly chargeable to the relevant customer under the contract and other costs incurred solely in connection with the contract.
2. the costs enhance the resources of the Company that will be used in satisfying the performance obligations in the future; and
3. the costs are expected to be recovered.

The assets related to contract costs are amortized on the same basis as the recognition of revenues from goods or services related to such assets and recognized in profit or loss.

The portion of the carrying value of an asset related to contract costs in excess of the remaining consideration receivable from the transfer of goods or services related to such asset less the estimated costs that are expected to be incurred is recognized as an impairment loss. If, as a result of changes in the factors of impairment in the previous periods, the remaining consideration receivable from the transfer of goods or service related to such asset less the estimated costs that are expected to be incurred exceeds the carrying value of such asset, the impairment loss is reversed through profit or loss, provided that the carrying value of the reversed asset shall not exceed its carrying value at the reversal date assuming such impairment loss were not recognized.

39. Government grants

1. Government grants are recognized if (i) the Company meets the conditions attached to the government grants; and (ii) the Company will receive the government grants. Government grants in the form of monetary assets are measured at the amount received or receivable. Government grants in the form of non-monetary assets are measured at fair value, or if their fair value is unavailable, at a nominal amount.

2. Determination and accounting treatment of government grants related to assets

Government grants related to assets are government grants which are offered for purchasing, constructing or otherwise acquiring long-term assets as provided by the applicable government documents, or in the absence of such express provision in the applicable government documents, whose primary condition is that the Company should purchase, construct or otherwise acquire long-term assets. Government grants related to assets are offset against the carrying value of the relevant assets or recognized as deferred income. Government grants related to assets recognized as deferred income are included in profit or loss over the service life of the relevant assets on a reasonable and systemic basis. Government grants measured at nominal amount are directly recognized in profit or loss. In case of a sale, transfer, retirement or damage of the relevant assets before the end of the intended service life, the balance of the unallocated deferred income is transferred to profit or loss for the period in which the assets are disposed of.

3. Determination and accounting treatment of government grants related to income

Government grants related to income are government grants other than those related to assets. Government grants related to both assets and income where it is difficult to make a distinction between the portion related to assets and the portion related to income are wholly classified as government grants related to income. Government grants

related to income as compensation for expenses or losses to be incurred in subsequent periods are recognized as deferred income and in the period for recognizing the relevant costs, expenses or losses, included in profit or loss or offset against the relevant costs. Government grants related to income as compensation for expenses or losses already incurred are directly included in profit or loss or offset against the relevant costs.

4. Government grants related to day-to-day operations of the Company are recognized in other income or offset against the relevant costs and expenses depending on the nature of economic business. Government grants not related to day-to-day operations of the Company are recognized in non-operating revenues or expenses.

5. Accounting treatment of policy loan interest subsidy

If the financial authority directly appropriates any interest subsidy to the Company, the interest subsidy is recognized as a reduction in the borrowing cost.

40. Deferred tax assets and deferred tax liabilities

1. The difference between the tax base of an asset or liability and its carrying value, or in case of an item not recognized as an asset or liability whose tax base can be determined according to the applicable tax law, the difference between its tax base and carrying value, is recognized as a deferred tax asset or deferred tax liability according to the tax rate applicable to the period in which the asset or liability is expected to be recovered or settled.

2. Deferred tax assets are recognized to the extent of the amount of income tax payable that will be available in future periods against which deductible temporary differences are deductible. At the balance sheet date, deferred tax assets not recognized in previous periods are recognized if there's conclusive evidence that it is probable that sufficient taxable income will be available in future periods against which the deductible temporary differences are deductible.

3. At the balance sheet date, the carrying value of deferred tax assets is reviewed and written down to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of the deferred tax assets to be utilized. If it is probable that sufficient taxable income will be available, the amount of write-down is reversed.

4. The income taxes and deferred income taxes are included in profit or loss as income tax expenses or gains, except the income taxes arising from any: (i) business combination; or (ii) transaction or event directly recognized in owners' equity.

5. Deferred income tax assets and deferred income tax liabilities are offset and presented on a net basis if: (i) the Company has a legal right to settle current tax assets and current tax liabilities on a net basis; and (ii) the deferred

tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and current tax liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed.

41. Leases

(1) Accounting treatment of leases under which the Company is lessee

1. The Company as the lessee:

At the lease commencement date, a lease that has a lease term of 12 months or less and does not contain a purchase option is a short-term lease. A lease of an asset with a low value when new is a lease of a low-value asset. Where the Company subleases or expects to sublease a leased asset, the original lease is not classified as a lease of a low-value asset.

Except short-term leases and leases of low-value assets, at the lease commencement date, the Company recognizes right-of-use assets and lease liabilities for the lease.

(1) Right-of-use assets

A right-of-use asset is a lessee's right to use an asset over the life of a lease.

At the lease commencement date, a right-of-use asset is initially measured at cost, which comprises: (i) the amount of the lease liability initially measured; (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) estimated 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 assets using the straight-line method. If it is reasonable to be certain that the ownership of an underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset over its remaining useful life. Otherwise, the Company depreciates the right-of-use asset over the shorter of the lease term and its remaining useful life.

(2) Lease liabilities

At the lease commencement date, the Company measures a lease liability at the present value of the lease payments that have not been paid at that date. The present value of lease payments is determined using the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. The difference between the lease payments and their present value is unrecognized financing costs. Interest

expenses are measured for each period within the lease term using the discount rate for determining the present value of lease payments, and recognized in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss in the period during which they are incurred.

At the lease commencement date, if there are changes in the in-substance fixed lease payments, amounts expected to be payable under residual value guarantee, the index or rate used to determine the lease payments, the result of an assessment of purchase option, renewal option or termination option or the actual exercise of such options, the Company re-measures the lease liability based on the present value of lease payments as adjusted, and adjusts the carrying value of the right-of-use assets accordingly. If the carrying value of the right-of-use asset is reduced to zero, but the lease liability needs to be further reduced, the balance is recognized in profit or loss.

(2) Accounting treatment of leases under which the Company is lessor

2. The Company as the lessor:

At the lease commencement date, the Company classifies a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee as a finance lease, and all other leases as operating leases.

(1) Operating lease

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

(2) Finance lease

At the lease commencement date, the Company recognizes the finance lease payments receivable based on the net investment in the lease (equal to the sum of unguaranteed residual value and the present value of lease receipts that are not received at the lease commencement date and discounted using the Company's incremental interest rate), and derecognizes the 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 that are not included in the measurement of the net investment in a lease are recognized in profit or loss when they are incurred.

3. Sale and leaseback

(1) The Company as lessee

In accordance with CASBE 14 - Revenue, the Company assesses and determines whether the transfer of any asset in a sale and leaseback transaction should be accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company measures the right-of-use asset arising from the leaseback at the proportion of the original carrying value of the asset that relates to the right of use retained by the Company. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

Otherwise, the Company continues the recognition of the transferred asset, and recognizes a financial liability equal to the amount of transfer proceeds in accordance with CASBE 22 - Financial Instruments: Recognition and Measurement at the same time.

(2) The Company as lessor

In accordance with CASBE 14 - Revenue, the Company assesses and determines whether the transfer of any asset in a sale and leaseback transaction should be accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company accounts for the purchase of assets in accordance with other applicable standards, and accounts for the lease of assets in accordance with CASBE 21 - Leases.

Otherwise, the Company does not recognize the transferred asset, and instead recognizes a financial asset equal to the amount of transfer proceeds in accordance with CASBE 22 - Financial Instruments: Recognition and Measurement.

42. Other Significant accounting policies and accounting estimates

1. Basis for the adoption of hedge accounting and its accounting treatment

(1) Cash flow hedge.

(2) A hedging relationship qualifies for hedge accounting if all of the following conditions are met: (i) the hedging relationship consists only of eligible hedging instruments and eligible hedged instruments; (ii) at the commencement of the hedge there is formal designation of hedging instruments and hedged item, and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge; and (iii) the hedging relationship meets the hedging effectiveness requirements.

The Company recognizes that the hedging relationship meets effectiveness requirements if all of the following conditions are met: (i) there is an economic relationship between the hedged item and the hedging instruments; (ii) the effect of credit risk does not dominate the value changes that result from the economic relationship between the hedged item and the hedging instruments; and (iii) the hedge ratio of the hedging relationship is the same as the ratio of the quantity of the hedged item that the Company actually hedges to the number of hedging instruments that

the Company actually uses to hedge such hedged item, but does not reflect an imbalance between the weightings of the hedged item and the hedging instrument.

The Company assesses whether a hedging relationship meets the hedge effectiveness requirements at commencement and on an ongoing basis. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the hedging relationship will be rebalanced.

(3) Hedge accounting

1) Fair value hedge

① The gain or loss on a hedging instrument is recognized in profit or loss (or other comprehensive income, if the hedging instrument hedges a non-trading equity instrument (or a component thereof) at fair value through other comprehensive income).

② The gain or loss on a hedged item arising from risk exposure is recognized in profit or loss, with a corresponding adjustment to the book balance of the hedged item not measured at fair value. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income in accordance with Article XVIII of CASBE 22 “Financial Instruments: Recognition and Measurement”, the gain or loss arising from the risk exposure on the hedged item is recognized in profit or loss, without adjusting its book balance which has already been measured at fair value; if the hedged item is a non-trading equity instrument (or a component thereof) for which the Company has elected to present changes at fair value through other comprehensive income, the gain or loss arising from the risk exposure on the hedged item is recognized in profit or loss, without adjusting its book balance which has already been measured at fair value.

When a hedged item is an unrecognized firm commitment (or a component thereof), the cumulative change in fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss. When a firm commitment is performed to acquire an asset or assume a liability, the initial book balance of the asset or the liability is adjusted to include the cumulative change in fair value of the hedged item that was previously recognized.

For a hedged item that is a financial instrument (or a component thereof) measured at amortized cost, any adjustment on the book balance of the hedged item is amortized to profit or loss based on a recalculated effective interest rate at the date that amortization begins. For a financial asset (or a component thereof) that is a hedged item and measured at fair value through other comprehensive income in accordance with Article XVIII of CASBE 22 “Financial

Instruments: Recognition and Measurement”, the cumulative gain or loss previously recognized thereon is amortized in the same manner, and recognized in profit or loss, without adjusting its book balance.

2) Cash flow hedges

① The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income as cash flow hedge reserve, while the ineffective portion is recognized in profit or loss. The cash flow hedge reserve is recognized at the lower of the following (in absolute amount): (i) the cumulative gain or loss on the hedging instrument from the commencement of the hedge; and (ii) the cumulative change in the present value of the estimated future cash flows of the hedged item from the commencement of the hedge.

② If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company transfers out the amount of cash flow hedge reserve previously recognized in other comprehensive income and includes it in the initial cost of the asset or the liability.

③ For other cash flow hedges, the amount of cash flow hedge reserve previously recognized in other comprehensive income is transferred to profit or loss in the same period the hedged forecast sale affects profit or loss.

3) Hedges of a net investment in a foreign operation

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income and reclassified from other comprehensive income into profit or loss on the disposal of the foreign operation, while the ineffective portion is recognized in profit or loss.

2. Accounting treatment related to share repurchase

When the Company repurchases its shares for the purpose of reducing its registered capital, rewarding its employees or otherwise, if the purchased shares are to be held as treasury shares, the treasury shares are recorded at the amount actually paid and the relevant filing procedures are performed; if the repurchased shares are to be retired, the difference between the total book value of the shares retired and the amount actually paid therefore is recognized as a reduction in capital reserve, and if the capital reserve is not sufficient to absorb the difference, the remaining balance is charged against the retained earnings. If the repurchased shares are granted to the employees as equity-settled share-based payments, the purchase price paid by the employees upon exercise of their rights is recognized as a reduction in the cost of the relevant treasury shares vested in the employees and capital reserve (other capital reserve) accumulated within the vesting period, with a corresponding adjustment to capital reserve (share premium).

43. Significant changes in accounting policies and accounting estimates**(1) Significant changes in accounting policies**□Applicable N/A**(2) Changes in significant accounting estimates**□Applicable N/A**(3) Adjustment of the opening balance of related financial statement items due to the initial adoption of new accounting standards since 2024**□Applicable N/A**VI. Taxation****1. Main categories of taxes and tax rates**

Category of tax	Tax base	Tax rate
Value-added tax	The output tax is calculated based on revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax deductible in the current period	13%, 6% or 7%-25% (for the Company's overseas subsidiaries)
Urban maintenance and construction tax	Amount of turnover tax actually paid	5% or 7% (China)
Enterprise income tax	Amount of taxable income	15%, 16.50%, 25%, 0, 21%, 0.75%-8.84%, 17%, 10%, 20%, 20.6%, 24% or 30%
Property tax	If levied on the basis of price, 1.2% * 70% of the original value of the property; if levied on the basis of rental, 12% of the lease income	1.2% or 12% (China)
Education surcharge	Amount of turnover tax actually paid	3% (China)
Local education surcharge	Amount of turnover tax actually paid	2% (China)

Different rates of enterprise income tax applicable to the taxpayers:

Taxpayer	Income tax rate
The Company, Yongchuang Tech, Mutto Optronics, MFLEX Yancheng, Yancheng Dongshan, Dongguan Dongshan Precision Manufacturing Co., Ltd., RF Top Electronic, Suzhou Chengjia, Yancheng Mutto Optronics Science and Technology Co., Ltd. and Suzhou Dongdai Electronic Tech Co Ltd.	15.00%
Hong Kong Dongshan and other companies incorporated in Hong Kong	16.50%
Mutto Optronics Group Limited, Mflex Delaware, Inc., The Dii Group (BVI) Co. Limited	0
Multi-Fineline Electronix, Inc. and other companies incorporated in the United States	Federal corporate income tax rate, 21%; state corporate income tax rate, 0.75%-8.84%
Multi-Fineline Electronix Singapore Ptd. Ltd. and other	17% (Singapore)

companies incorporated in Singapore	
Multek Technologies Limited	15% (enjoying an 80% tax exemption)
Multek Technology Sweden AB	20.6% (Sweden)
Multek Technology Malaysia SDN.BHD	24% (Malaysia)
DSBJ Mexico, S.DER.L.DEC.V. and other companies in Mexico	30.00%
Other taxpayers not listed above	25.00%

2. Tax preferences

1. Pursuant to the Notice on Publishing the Filing of the Third Batch of High and New Technology Enterprises Recognized by the Recognition Authority of Jiangsu Province in 2022 issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises, the Company and its subsidiaries Mutto Optronics, Yancheng Dongshan, Yancheng Dongshan Communication Technology Co., Ltd. and MFLEX Yancheng passed the high and new technology enterprise qualification review with a term of three years from 2022 to 2024, and therefore are subject to an enterprise income tax rate of 15% for the current period.

2. Pursuant to the Notice on Publishing the Filing of the Fourth Batch of High and New Technology Enterprises Recognized by the Recognition Authority of Jiangsu Province in 2022 issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises, the Company's wholly-owned subsidiary Suzhou Chengjia passed the high and new technology enterprise qualification review with a term of three years from 2022 to 2024, and therefore is subject to an enterprise income tax rate of 15% for the current period.

3. Pursuant to the Notice on Publishing the Filing the Second Batch of High and New Technology Enterprises Recognized by the Recognition Authority of Jiangsu Province in 2022 issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises, the Company's subsidiary EF Top Electronic passed the high and new technology enterprise qualification review with a term of three years from 2022 to 2024, and therefore is subject to an enterprise income tax rate of 15% for the current period.

4. Pursuant to the Notice on the Filing of the Third Batch of High and New Technology Enterprises of Jiangsu Province in 2021, the Company's wholly owned subsidiary Yancheng Mutto Optronics Science and Technology Co., Ltd. passed the high and new technology enterprise qualification review with a term of three years from 2021 to 2023, and therefore is subject to an enterprise income tax rate of 15% for the current period.

5. The Company's subsidiary Suzhou Dongdai Electronic Tech Co., Ltd. was listed in the Notice on Publishing the Filing of the Second Batch of High and New Technology Enterprises Recognized by the Recognition Authority of Jiangsu Province in 2023 issued by the Office of the National Leading Group for Recognition Management of High

and New Technology Enterprises, and temporarily paid enterprise income tax at the rate of 15% for the current period.

6. Multek Technologies Limited is subject to a corporate income tax rate of 15% under the Mauritius Corporate Income Tax Act, and as a global Class I company incorporated in Mauritius but operating abroad, enjoys an 80% tax exemption, so its effective corporate income tax rate is 3%.

VII. Notes to Items of the Consolidated Financial Statements

1. Cash and bank balances

In RMB

Item	Closing balance	Opening balance
Cash on hand	426,978.14	559,941.39
Bank deposits	6,050,927,116.10	5,874,124,506.28
Other cash and bank balances	1,903,122,502.45	1,315,351,783.39
Total	7,954,476,596.69	7,190,036,231.06
Incl.: Total amounts deposited abroad	2,013,943,521.50	1,917,732,423.09

2. Financial assets held for trading

In RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	140,916,032.21	146,141,371.77
Incl.:		
Investments in equity instruments	69,320,128.82	71,779,147.66
Derivatives	25,782,508.65	26,920,185.50
Wealth management products	45,813,394.74	47,442,038.61
Total	140,916,032.21	146,141,371.77

3. Derivative financial assets

4. Notes receivable

(1) Notes receivable by category

In RMB

Item	Closing balance	Opening balance
Commercial acceptance bills	25,236,878.62	3,407,623.49
Total	25,236,878.62	3,407,623.49

(2) Notes receivable by method of recognition of allowance for doubtful accounts

In RMB

Item	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Incl.:										
Notes receivable with allowance recognized collectively	25,363,697.11	100.00%	126,818.49	0.50%	25,236,878.62	3,424,747.23	100.00%	17,123.74	0.50%	3,407,623.49
Incl.:										
Commercial acceptance bills	25,363,697.11	100.00%	126,818.49	0.50%	25,236,878.62	3,424,747.23	100.00%	17,123.74	0.50%	3,407,623.49
Total	25,363,697.11	100.00%	126,818.49	0.50%	25,236,878.62	3,424,747.23	100.00%	17,123.74	0.50%	3,407,623.49

Notes receivable with allowance for doubtful accounts recognized collectively by category name:

In RMB

Name	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Group of commercial acceptance bills	25,363,697.11	126,818.49	0.50%
Total	25,363,697.11	126,818.49	

(3) Allowance for doubtful accounts recognized, recovered or reversed in the current period

Allowance for doubtful accounts recognized in the current period:

In RMB

Item	Opening balance	Changes in the current period				Closing balance
		Recognized	Recovered or reversed	Written off	Others	
Allowance recognized collectively	17,123.74	109,694.75				126,818.49
Total	17,123.74	109,694.75				126,818.49

(4) Notes receivable pledged at the end of the current period**(5) Notes receivable already endorsed or discounted but not yet become due at the balance sheet date**

In RMB

Item	Amount derecognized at the end of the current period	Amount not derecognized at the end of the current period
Commercial acceptance bills	100,176,665.82	10,645,152.55
Total	100,176,665.82	10,645,152.55

5. Accounts receivable**(1) Accounts receivable by age**

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	6,476,338,431.58	7,522,771,106.29
Within 6 months	6,280,494,927.37	7,444,151,188.36
7-12 months	195,843,504.21	78,619,917.93
1-2 years	198,670,931.92	285,296,373.77
2-3 years	110,639,020.27	16,989,211.39
Over 3 years	216,418,943.15	369,089,730.68
3-4 years	27,223,572.75	275,176,513.49
4-5 years	129,652,448.32	53,209,221.21
Over 5 years	59,542,922.08	40,703,995.98
Total	7,002,067,326.92	8,194,146,422.13

(2) Accounts receivable by method of recognition of allowance for doubtful accounts

In RMB

Item	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Accounts receivable with allowance recognized individually	51,959,868.70	0.74%	51,295,120.00	98.72%	664,748.70	221,542,640.42	2.70%	220,877,891.72	99.70%	664,748.70
Incl.:										
Accounts	6,950,107,458.22	99.26%	315,923,437.57	4.55%	6,634,184,020.65	7,972,603,781.71	97.30%	260,103,758.36	3.26%	7,712,500,023.35

receivable with allowance recognized collectively										
Incl.:										
Total	7,002,067,326.92	100.00%	367,218,557.57	5.24%	6,634,848,769.35	8,194,146,422.13	100.00%	480,981,650.08	5.87%	7,713,164,772.05

Accounts receivable with allowance for doubtful accounts recognized collectively by category name: Aging group

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Within 6 months	6,279,657,911.21	31,398,289.56	0.50%
7-12 months	194,400,946.27	9,720,047.31	5.00%
1-2 years	198,607,187.62	39,721,437.52	20.00%
2-3 years	105,894,374.87	63,536,624.92	60.00%
Over 3 years	171,547,038.25	171,547,038.25	100.00%
Total	6,950,107,458.22	315,923,437.57	

(3) Allowance for doubtful accounts recognized, recovered or reversed in the current period

Allowance for doubtful accounts recognized in the current period:

In RMB

Item	Opening balance	Changes in the current period				Closing balance
		Recognized	Recovered or reversed	Written off	Others	
Allowance recognized individually	220,877,891.72			169,582,771.72		51,295,120.00
Allowance recognized collectively	260,103,758.36	55,819,679.21				315,923,437.57
Total	480,981,650.08	55,819,679.21		169,582,771.72		367,218,557.57

(4) Accounts receivable actually written off in the current period

In RMB

Item	Amount written off
Accounts receivable actually written off	169,582,771.72

Significant amount of accounts receivable written off:

In RMB

Company name	Nature of account	Amount written off	Reason for write-off	Write-off procedure performed	Whether or not arising from related-party transactions
Dongguan Baofeng Intelligent Technology Co., Ltd.	Trade receivable	169,582,771.72	The company has gone bankrupt	Resolution of the Board of Directors	No
Total		169,582,771.72			

(5) Top 5 debtors in terms of closing balance of accounts receivable and contract assets

In RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and contract assets	% of total closing balance of accounts receivable and contract assets	Closing balance of allowance for doubtful accounts receivable and impairment of contract assets
Debtor 1	1,911,438,500.06		1,911,438,500.06	26.65%	11,714,101.58
Debtor 2	577,064,900.41		577,064,900.41	8.05%	2,885,324.50
Debtor 3	538,597,555.74		538,597,555.74	7.51%	2,855,375.61
Debtor 4	299,842,469.82		299,842,469.82	4.18%	3,201,911.90
Debtor 5	240,665,780.25		240,665,780.25	3.36%	1,236,414.03
Total	3,567,609,206.28		3,567,609,206.28	49.75%	21,893,127.62

6. Contract assets**7. Accounts receivable financing****(1) Accounts receivable financing by category**

In RMB

Item	Closing balance	Opening balance
Banker's acceptance bills	199,435,267.61	290,477,095.22
Total	199,435,267.61	290,477,095.22

(2) Accounts receivable financing by method of recognition of allowance for doubtful accounts

In RMB

Item	Closing balance					Opening balance					
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value	
	Amount	%	Amount	%		Amount	%	Amount	%		
Incl.:											
Account	199,435,	100.00%			199,435,	290,477,	100.00%			290,477,	

s receivable financing with allowance recognized collectively	267.61				267.61	095.22				095.22
Incl.:										
Banker's acceptance bills	199,435, 267.61	100.00%			199,435, 267.61	290,477, 095.22	100.00%			290,477, 095.22
Total	199,435, 267.61	100.00%			199,435, 267.61	290,477, 095.22	100.00%			290,477, 095.22

(3) Allowance for doubtful accounts recognized, recovered or reversed in the current period**(4) Accounts receivable financing pledged at the end of the current period**

In RMB

Item	Amount pledged at the end of the current period
Banker's acceptance bills	85,726,047.96
Total	85,726,047.96

(5) Accounts receivable financing already endorsed or discounted but not yet become due at the balance sheet date

In RMB

Item	Amount derecognized at the end of the current period	Amount not derecognized at the end of the current period
Banker's acceptance bills	603,549,039.91	
Total	603,549,039.91	

(6) Accounts receivable financing actually written off in the current period**(7) Changes in accounts receivable financing and changes in fair value thereof during the current period**

(8) Other information: As the acceptors of banker's acceptance bills are commercial banks that have high credit ratings, banker's acceptance bills are less likely to be dishonored when they become due. Therefore, the Company derecognizes the banker's acceptance bills already endorsed or discounted. However, if such bills fail to be paid when they become due, the Company will assume joint and several liability to the holders thereof pursuant to the *Law on Negotiable Instruments*.

8. Other receivables

In RMB

Item	Closing balance	Opening balance
Other receivables	98,014,969.32	77,134,897.39

Total	98,014,969.32	77,134,897.39
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(1) Interest receivable**(2) Dividends receivable****(3) Other receivables****1) Other receivables by nature**

In RMB

Nature of account	Closing book balance	Opening book balance
Loan and reserve fund	15,378,309.21	3,008,693.20
Security deposit	25,167,459.15	24,179,943.43
Temporary payment receivable and others	72,158,116.83	63,320,215.31
Total	112,703,885.19	90,508,851.94

2) Other receivables by age

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	98,010,801.76	71,736,165.38
1-2 years	4,978,854.39	8,616,817.34
2-3 years	847,477.39	2,464,429.36
Over 3 years	8,866,751.65	7,691,439.86
3-4 years	5,122,829.15	3,078,691.14
4-5 years	2,532,848.55	1,718,689.00
Over 5 years	1,211,073.95	2,894,059.72
Total	112,703,885.19	90,508,851.94

3) Other receivables by the method of recognition of allowance for doubtful accountsApplicable N/A

In RMB

Item	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Other receivables with allowance recognized individually	2,340,704.91	2.07%	2,340,704.91	100.00%		2,340,704.91	2.59%	2,340,704.91	100.00%	

ally										
Incl.:										
Other receivables with allowance recognized collectively	110,363,180.28	97.92%	12,348,210.96	11.19%	98,014,969.32	88,168,147.03	97.41%	11,033,249.64	12.51%	77,134,897.39
Incl.:										
Total	112,703,885.19	100.00%	14,688,915.87	13.03%	98,014,969.32	90,508,851.94	100.00%	13,373,954.55	14.78%	77,134,897.39

Other receivables with allowance for doubtful accounts recognized collectively: Aging group

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Within 1 year	98,010,801.76	4,900,540.09	5.00%
1-2 years	4,978,854.39	497,885.44	10.00%
2-3 years	847,477.39	423,738.70	50.00%
Over 3 years	6,526,046.74	6,526,046.74	100.00%
Total	110,363,180.28	12,348,210.96	

Basis for grouping: N/A

Recognition of allowance for doubtful accounts in accordance with the general model of expected credit losses:

In RMB

Allowance for doubtful accounts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Balance at January 1, 2024	3,586,808.28	861,681.73	8,925,464.54	13,373,954.55
In the current period:				
- Transferred to stage 2	-232,625.50	232,625.50		
- Transferred to stage 3		-596,421.79	596,421.79	
Recognized	1,546,357.31		355,176.18	1,901,533.49
Reversed			586,572.17	586,572.17
Balance at June 30, 2024	4,900,540.09	497,885.44	9,290,490.35	14,688,915.87

6) Top 5 debtors in terms of closing balance of other receivables

In RMB

Company name	Nature of account	Closing balance	Age	% of total closing balance of other receivables	Closing balance of allowance for doubtful accounts
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Debtor 1	Government grants	40,256,779.96	Within 1 year	35.72%	2,012,839.00
Debtor 2	Temporary payment receivable and others	9,860,000.00	Within 1 year	8.75%	493,000.00
Debtor 3	Temporary payment receivable and others	2,340,704.91	Over 3 years	2.08%	2,340,704.91
Debtor 5	Security deposit	2,000,000.00	Within 1 year	1.77%	100,000.00
Debtor 5	Temporary payment receivable and others	1,790,748.55	Over 3 years	1.59%	1,790,748.55
Total		56,248,233.42		49.91%	6,737,292.46

9. Advances to suppliers

(1) Advances to suppliers by age

In RMB

Age	Closing balance		Opening balance	
	Amount	%	Amount	%
Within 1 year	59,905,077.54	87.31%	72,605,597.90	91.00%
1 to 2 years	5,792,254.85	8.44%	5,581,589.38	7.00%
2 to 3 years	1,349,652.39	1.97%	21,100.35	0.03%
Over 3 years	1,565,687.79	2.28%	1,574,451.48	1.97%
Total	68,612,672.57		79,782,739.11	

Reason of failure to timely settle the significant advances to suppliers aged more than one year: N/A

(2) Top 5 suppliers in terms of closing balance of advances to suppliers

Company name	Book balance (RMB)	% of the total balance of advances to suppliers
Supplier 1	9,872,977.95	14.39%
Supplier 2	5,034,321.86	7.34%
Supplier 3	4,605,111.16	6.71%
Supplier 4	3,624,803.07	5.28%
Supplier 5	3,294,993.67	4.80%
Subtotal	26,432,207.71	38.52%

10. Inventories

(1) Categories of inventories

In RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory provision or allowance for impairment of contract	Carrying value	Book balance	Inventory provision or allowance for impairment of contract	Carrying value

		fulfilling costs			fulfilling costs	
Raw materials	1,365,351,576.19	139,003,679.54	1,226,347,896.65	1,137,854,380.40	144,036,638.90	993,817,741.50
Work in progress	1,034,017,371.67	118,377,027.89	915,640,343.78	891,174,574.36	125,226,289.12	765,948,285.24
Goods on hand	4,509,675,210.28	460,556,843.37	4,049,118,366.91	4,974,174,253.58	449,989,021.71	4,524,185,231.87
Circulating materials	635,522.36		635,522.36	9,966,532.81	38,514.88	9,928,017.93
Total	6,909,679,680.50	717,937,550.80	6,191,742,129.70	7,013,169,741.15	719,290,464.61	6,293,879,276.54

(2) Data resources recognized as inventories**(3) Inventory provision or allowance for impairment of contract fulfilling costs**

In RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Recognized	Others	Reversed or written off	Others	
Raw materials	144,036,638.90	12,814,882.09	16,485.51	17,864,326.96		139,003,679.54
Work in progress	125,226,289.12	53,866.30	5,327.70	6,908,455.23		118,377,027.89
Goods on hand	449,989,021.71	92,716,974.16	1,600,208.37	83,749,360.87		460,556,843.37
Circulating materials	38,514.88			38,514.88		
Total	719,290,464.61	105,585,722.55	1,622,021.58	108,560,657.94		717,937,550.80

Item	Basis for determining the net realizable value	Reason for reversing the inventory provision	Reason for writing off the inventory provision
Raw materials	The net realizable value is the estimated selling price of finished goods less the estimated cost of completion, estimated selling expenses and related taxes.	The inventories for which an inventory provision was recognized at the beginning of the current period have been used.	The net realizable value is the estimated selling price of finished goods less the estimated cost of completion, estimated selling expenses and related taxes.
Work in progress	The net realizable value is the estimated selling price of finished goods less the estimated cost of completion, estimated selling expenses and related taxes.	The inventories for which an inventory provision was recognized at the beginning of the current period have been used.	The net realizable value is the estimated selling price of finished goods less the estimated cost of completion, estimated selling expenses and related taxes.
Goods on hand	The net realizable value is the estimated selling price of finished goods less the estimated selling	The inventories for which an inventory	The net realizable value is the estimated selling price of finished goods less the estimated selling expenses and related taxes.

	expenses and related taxes.	provision was recognized at the beginning of the current period have been used.	
Other circulating materials	The net realizable value is the estimated selling price of finished goods less the estimated cost of completion, estimated selling expenses and related taxes.	The inventories for which an inventory provision was recognized at the beginning of the current period have been used.	The net realizable value is the estimated selling price of finished goods less the estimated cost of completion, estimated selling expenses and related taxes.

11. Assets held for sale**12. Non-current assets due within one year****13. Other current assets**

In RMB

Item	Closing balance	Opening balance
Cost of returned goods receivable	29,097,919.47	29,832,976.30
Deductible input tax	517,975,447.98	340,312,673.44
Prepaid enterprise income tax	35,639,761.39	35,892,887.21
Deferred expenses and others	503,428,696.97	245,681,208.73
Total	1,086,141,825.81	651,719,745.68

14. Debt investments**15. Other debt investments****16. Investment in other equity instruments**

In RMB

Item	Opening balance	Income recognized in other comprehensive income in the current period	Loss recognized in other comprehensive income in the current period	Aggregate income recognized in other comprehensive income at the end of the current period	Aggregate loss recognized in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Closing balance	Reason for designation as at fair value through other comprehensive income
Jiangsu Bohua Equity Investment Partnership (L.P.)	150,000.00						150,000.00	

Hai Dixin Semiconductor (Nantong) Co., Ltd.	21,322,110.00						21,322,110.00	
Hostar Intelligence Technology Co., Ltd.	28,800,000.00						28,800,000.00	
Dyness Digital Energy Technology Co., Ltd.	50,000,000.00						50,000,000.00	
Shinwu Optronics (Suzhou) Co., Ltd.	22,035,000.00						22,035,000.00	
Jinan Moviebook Co., Ltd.	6,000,000.00						10,000,000.00	
Shenzhen Ruoyu Technology Co., Ltd.	0.00						1,500,000.00	
Total	278,157,110.00						283,657,110.00	

Reason for designation as an investment in equity instruments at fair value through other comprehensive income

1) Hai Dixin Semiconductor (Nantong) Co., Ltd. was established on April 6, 2012, with a registered capital of RMB36,152,329.00, in which the Company holds 10.2345% shares. In consideration that the Company has a close business relationship with Hai Dixin Semiconductor (Nantong) Co., Ltd., the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income on January 1, 2019.

2) Jiangsu Bohua Equity Investment Partnership (L.P.) was established on September 27, 2021, with a registered capital of RMB3.3 billion, and is primarily engaged in venture capital investment (in non-listed companies only). In consideration that this investment will bring a good return to the Company and provide the Company with opportunities to invest in premium fields and assets, and is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income.

3) Hostar Intelligence Technology Co., Ltd. was established on April 2, 2011, with a registered capital of RMB42,660,000, in which the Company holds 3.038% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies, including procuring raw materials/equipment, and developing and strengthening market and sales teams, and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in February 2023.

4) Dyness Digital Energy Technology Co., Ltd. was established on August 17, 2017, with a registered capital of RMB112,023,809, in which the Company holds 1.7016% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in March 2023.

5) Shinwu Optronics (Suzhou) Co., Ltd. was established on October 19, 2006, with a registered capital of RMB57,754,000, in which the Company holds 1.7169% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in May 2023.

6) Jinan Moviebook Co., Ltd. was established on September 6, 2019, with a registered capital of RMB10,000,000, in which the Company holds 0.1995% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in October 2023.

7) Shenzhen Ruoyu Technology Co., Ltd. was established on April 13, 2023, with a registered capital of RMB5,229,300, in which the Company holds 0.9678% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in January 2024.

17. Long-term receivables

(1) Particulars of long-term receivables

In RMB

Item	Closing balance			Opening balance			Range of discount rate
	Book balance	Allowance for doubtful accounts	Carrying value	Book balance	Allowance for doubtful accounts	Carrying value	
Security deposit for finance lease	30,000,000.00		30,000,000.00	30,000,000.00		30,000,000.00	
Account receivable from Powerwave Technologies (Thailand) Co., Ltd.				10,703,905.76	10,703,905.76		7.5
Total	30,000,000.00	0.00	30,000,000.00	40,703,905.76	10,703,905.76	30,000,000.00	

(2) Long-term receivables by method of recognition of allowance for doubtful accounts

In RMB

Item	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Long-term receivables with allowance recognized individually						10,703,905.76	100.00%	10,703,905.76	100.00%	
Incl.:										
Incl.:										
Total						10,703,905.76	100.00%	10,703,905.76	100.00%	

(3) Allowance for doubtful accounts recognized, recovered or reversed in the current period**(4) Long-term receivables actually written off in the current period**

In RMB

Company name	Nature of account	Amount written off	Reason for write-off	Write-off procedure performed	Whether or not arising from related-party transactions
Powerwave Technologies (Thailand) Co., Ltd.	Trade receivable	10,703,905.76	Bankrupt	Resolution of the Board of Directors	No
Total		10,703,905.76			

18. Long-term equity investments

In RMB

Investee	Opening balance (carrying value)	Opening balance of allowance for impairment loss	Changes in the current period								Closing balance (carrying value)	Closing balance of allowance for impairment loss
			Additi onal invest ment	Reduc ed invest ment	Invest ment incom e or loss under equity metho d	Adjust ment to other compr ehensi ve incom e	Other change s in equity	Declar ed cash divide nds or profit distrib ution	Allow ance for impair ment loss	Others		
I. Joint ventures												
II. Associates												

Suzhou Toprun Electric Equipment Co., Ltd.	19,335,028.62	51,487,204.05			19,928.38					19,354,957.00	51,487,204.05
Shenzhen Nanfang Blog Technology Development Co., Ltd.		17,507,056.47									17,507,056.47
Shanghai Fushan Precision Manufacturing Co., Ltd.											
Suzhou LEGATE Intelligent Equipment Co., Ltd.	23,507,176.15				-709,687.28					22,797,488.87	
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	3,797,258.35				-447,415.62					3,349,842.73	
Jiangsu Nangao Intelligent Equipment Innovation Center Co., Ltd.	4,259,369.62				-848,629.79					3,410,739.83	
Jiaozuo Songyang Optoelectric Technology Co., Ltd.	26,753,781.07				-232,322.81					26,521,458.26	
Suzhou Yongxin Jingshang Venture Capital Partnership (L.P.)	25,915,794.06				-709,084.04					25,206,710.02	
ISOTEK MICROWAVE LIMITED		8,539,424.61									8,539,424.61
BVF (BVI) Holding L.P.	32,358,873.17				-355,578.43					32,003,294.74	
Shanghai	19,479				-					18,450	

Xinhuarui Semiconductor Technology Co., Ltd.	,598.85				1,029,041.92						,556.93	
Subtotal	155,406,879.89	77,533,685.13			-4,311,831.51						151,095,048.38	77,533,685.13
Total	155,406,879.89	77,533,685.13			-4,311,831.51						151,095,048.38	77,533,685.13

19. Other non-current financial assets

20. Investment properties

(1) Investment properties at cost

Applicable N/A

In RMB

Item	Buildings and structures	Land use right	Construction in progress	Total
I. Original value				
1. Opening balance	5,309,132.17			5,309,132.17
2. Increase				
(1) Acquired				
(2) Transferred from inventories/ fixed assets/ construction in progress				
(3) Increased due to business combinations				
3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance	5,309,132.17			5,309,132.17
II. Accumulated depreciation and amortization				
1. Opening balance	4,270,291.91			4,270,291.91
2. Increase	128,855.58			128,855.58
(1) Recognized or amortized	128,855.58			128,855.58

3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance	4,399,147.49			4,399,147.49
III. Allowance for impairment loss				
1. Opening balance				
2. Increase				
(1) Recognized				
3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance				
IV. Carrying value				
1. Closing carrying value	909,984.68			909,984.68
2. Opening carrying value	1,038,840.26			1,038,840.26

21. Fixed assets

In RMB

Item	Closing balance	Opening balance
Fixed assets	12,712,146,406.50	12,415,251,689.80
Total	12,712,146,406.50	12,415,251,689.80

(1) Particulars of fixed assets

In RMB

Item	Buildings and structures	Machinery and equipment	Transport equipment	Office equipment and others	Total
I. Original value					
1. Opening balance	5,132,153,184.39	19,797,161,127.14	89,626,022.07	1,015,562,668.44	26,034,503,002.04
2. Increase	387,957,174.36	907,581,238.65	9,432,828.66	5,972,832.65	1,310,944,074.32
(1) Acquired	1,712,132.71	2,878,066.00	3,322,825.22		7,913,023.93
(2) Transferred from construction in progress	386,245,041.65	904,703,172.65	6,110,003.44	5,972,832.65	1,303,031,050.39
(3) Increased due to business					

combinations					
3. Decrease		411,187,089.76	8,330,663.66	33,762,120.41	453,279,873.83
(1) Disposed or retired		410,687,089.76	8,330,663.66	33,762,120.41	452,779,873.83
(2) Transferred to construction in progress		500,000.00			500,000.00
4. Closing balance	5,520,110,358.75	20,293,555,276.03	90,728,187.07	987,773,380.68	26,892,167,202.53
II. Accumulated depreciation					
1. Opening balance	2,220,275,673.46	10,602,887,524.16	62,223,497.82	716,522,202.74	13,601,908,898.18
2. Increase	104,626,418.01	863,457,985.03	2,580,400.41	28,599,424.88	999,264,228.33
(1) Recognized	104,626,418.01	863,457,985.03	2,580,400.41	28,599,424.88	999,264,228.33
3. Decrease		406,415,865.29	6,753,119.38	25,021,514.03	438,190,498.70
(1) Disposed or retired		406,415,865.29	6,753,119.38	25,021,514.03	438,190,498.70
4. Closing balance	2,324,902,091.47	11,059,929,643.90	58,050,778.85	720,100,113.59	14,162,982,627.81
III. Allowance for impairment loss					
1. Opening balance	4,570,236.72	12,078,207.03		693,970.31	17,342,414.06
2. Increase					
(1) Recognized					
3. Decrease		304,245.84			304,245.84
(1) Disposed or retired		304,245.84			304,245.84
4. Closing balance	4,570,236.72	11,773,961.19		693,970.31	17,038,168.22
IV. Carrying value					
1. Closing carrying value	3,190,638,030.56	9,221,851,670.94	32,677,408.22	266,979,296.78	12,712,146,406.50
2. Opening carrying value	2,907,307,274.21	9,182,195,395.95	27,402,524.25	298,346,495.39	12,415,251,689.80

(2) Temporary idle fixed assets**(3) Fixed assets leased out under operating leases****(4) Fixed assets whose property title certificates have not yet been obtained**

In RMB

Item	Carrying value	Reason for not obtaining the property title certificate
Factory buildings of Multek	62,075,953.78	Pending review

22. Construction in progress

In RMB

Item	Closing balance	Opening balance
Construction in progress	2,212,779,454.69	1,842,525,188.54
Total	2,212,779,454.69	1,842,525,188.54

(1) Particulars of construction in progress

In RMB

Item	Closing balance			Opening balance		
	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Multek 5G high-speed high-frequency and high-density PCB technology upgrading project				20,138,126.54		20,138,126.54
FPC for new energy application and assembly project of MFLEX Yancheng	1,983,936.00		1,983,936.00	15,994,322.82		15,994,322.82
IC substrate project of Chaowei Microelectronics (Yancheng) Co., Ltd.	33,983,145.33		33,983,145.33	75,645,464.25		75,645,464.25
Large-sized die-casting project of Yancheng Dongchuang	603,014,099.36		603,014,099.36	658,090,750.03		658,090,750.03
Kunshan new energy manufacturing base-related project	279,066,396.76		279,066,396.76	425,232,448.52		425,232,448.52
Mexico new energy manufacturing base-related project	28,554,302.12		28,554,302.12	999,896.91		999,896.91
MFLEX Yancheng Phase II project	300,859,918.91		300,859,918.91	35,619,454.33		35,619,454.33
MFLEX Suzhou Guoxiang Phase II and other production expansion projects	136,273,170.13		136,273,170.13	82,215,960.20		82,215,960.20
LCM business unit	46,535,180.88		46,535,180.88	46,535,180.88		46,535,180.88
Installation equipment in progress and others	408,745,775.13		408,745,775.13	482,053,584.06		482,053,584.06
Plant infrastructure project of Multilayer Board (Thailand) Co. Ltd.	373,763,530.07		373,763,530.07			
Total	2,212,779,454.69		2,212,779,454.69	1,842,525,188.54		1,842,525,188.54

(2) Changes in significant constructions in progress in the current period

In RMB

Project	Budget	Opening balance	Increase	Amount transferred to fixed assets	Other decreases	Closing balance	% of project costs to the budget	Progress	Aggregate amount of capitalized interest	Incl.: Capitalized interest this year	Rate of interest capitalization this year	Source of funds
Large-sized	1,500,	658,09	260,60	270,19	45,485	603,01	88.37	88%				其他

die-casting project of Yancheng Dongchuang	000,00 0.00	0,750. 03	8,318. 80	8,973. 19	,996.2 8	4,099. 36	%					
Kunshan new energy manufacturing base-related project	1,800, 000,00 0.00	425,23 2,448. 52	475,63 3,109. 11	548,74 4,267. 86		279,06 6,396. 77	57.14 %	57.14 %				其他
Plant infrastructure project of Multilayer Board (Thailand) Co. Ltd.	980,00 0,000. 00	46,873 ,232.0 4	326,89 0,298. 03			373,76 3,530. 07	38.14 %	38.14 %				其他
Total	4,280, 000,00 0.00	1,130, 196,43 0.59	1,063, 131,72 5.94	818,94 3,241. 05	45,485 ,996.2 8	1,255, 844,02 6.20						

23. Productive biological assets

24. Oil and gas assets

25. Right-of-use assets

(1) Particulars of right-of-use assets

In RMB

Item	Buildings and structures	Machinery and equipment	Transportation equipment	Land	Total
I. Original value					
1. Opening balance	1,413,525,626.05	30,676,878.28	345,470.00	93,200,186.63	1,537,748,160.96
2. Increase	56,655,079.96				56,655,079.96
(1) Leased					
(2) Transferred from construction in progress	56,655,079.96				56,655,079.96
(3) Differences in translation of foreign currency financial statements					
(4) Increased due to business combinations					
3. Decrease					

4. Closing balance	1,470,180,706.01	30,676,878.28	345,470.00	93,200,186.63	1,594,403,240.92
II. Accumulated depreciation					
1. Opening balance	276,837,664.69	971,434.50	269,898.56	7,001,112.38	285,080,110.13
2. Increase	38,740,709.64	976,341.61	70,664.33	741,298.38	40,529,013.96
(1) Recognized	38,740,709.64	976,341.61	70,664.33	741,298.38	40,529,013.96
(2) Differences in translation of foreign currency financial statements					
(3) Increased due to business combinations					
3. Decrease					
(1) Disposed					
4. Closing balance	315,578,374.33	1,947,776.11	340,562.89	7,742,410.76	325,609,124.09
III. Allowance for impairment loss					
1. Opening balance					
2. Increase					
(1) Recognized					
3. Decrease					
(1) Disposed					
4. Closing balance					
IV. Carrying value					
1. Closing carrying value	1,154,602,331.67	28,729,102.17	4,907.11	85,457,775.88	1,268,794,116.83
2. Opening carrying value	1,136,687,961.35	29,705,443.78	75,571.44	86,199,074.26	1,252,668,050.83

26. Intangible assets

(1) Particulars of intangible assets

In RMB

Item	Land use right	Patent	Unpatented technology	Software	Trademark and patent	Development costs	Customer resources	Total
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I. Original value								
1. Opening balance	629,094,585.89			362,386,608.26	154,718,885.76	6,733,029.45	207,803,629.23	1,360,736,738.59
2. Increase	152,663,100.95			29,897,338.67	2,205.05			182,562,644.67
(1) Acquired	2,247,856.62			140,357.33	2,205.05			2,390,419.00
(2) Internal R&D								
(3) Increased due to business combinations								
(4) Differences in translation of foreign currency financial statements								
(5) Transferred from construction in progress	450,959.93			29,756,981.34				30,207,941.27
(6) Transferred from inventories	149,964,284.40							149,964,284.40
3. Decrease				2,623,545.40				2,623,545.40
(1) Disposed				2,623,545.40				2,623,545.40
4. Closing balance	781,757,686.84			389,660,401.53	154,721,090.81	6,733,029.45	207,803,629.23	1,540,675,837.86
II. Accumulated amortization								
1. Opening balance	100,086,780.52			271,520,237.29	99,655,603.59	6,733,029.45	19,048,666.01	497,044,316.86
2. Increase	6,355,266.43			26,327,089.29	7,461,326.71		10,390,181.46	50,533,863.89
(1) Recognized	6,355,275.02			26,163,532.69	5,532,748.31		10,390,181.46	48,441,737.48

(2) Differences in translation of foreign currency financial statements	-8.59			163,556.60	1,928,578.40			2,092,126.41
3. Decrease				2,623,545.40				2,623,545.40
(1) Disposed				2,623,545.40				2,623,545.40
4. Closing balance	106,442,046.95			295,223,781.18	107,116,930.30	6,733,029.45	29,438,847.47	544,954,635.35
III. Allowance for impairment loss								
1. Opening balance								
2. Increase								
(1) Recognized								
3. Decrease								
(1) Disposed								
4. Closing balance								
IV. Carrying value								
1. Closing carrying value	675,315,639.89			94,436,620.35	47,604,160.51		178,364,781.76	995,721,202.51
2. Opening carrying value	529,007,805.37			90,866,370.97	55,063,282.17		188,754,963.22	863,692,421.73

27. Goodwill

(1) Original value of goodwill

In RMB

Investee or event giving rise to goodwill	Opening balance	Increase		Decrease		Closing balance
		Arising from business		Disposed		

		combination			
MFLEX	1,770,752,915.84				1,770,752,915.84
Multek	179,329,062.90				179,329,062.90
Mutto Optronics	153,957,647.78				153,957,647.78
RF Top Electronic	135,001,580.53				135,001,580.53
Aranda asset group	50,502,380.96			3,546,900.03	46,955,480.93
Total	2,289,543,588.01			3,546,900.03	2,285,996,687.98

(2) Allowance for impairment of goodwill

In RMB

Investee or event giving rise to goodwill	Opening balance	Increase		Decrease		Closing balance
		Recognize d		Disposed		
Mutto Optronics	67,475,733.00					67,475,733.00
Aranda asset group	4,000,219.86					4,000,219.86
RF Top Electronic	8,868,134.17					8,868,134.17
Total	80,344,087.03					80,344,087.03

28. Long-term deferred expenses

In RMB

Item	Opening balance	Increase	Amortization	Other decreases	Closing balance
Decoration costs of fixed assets and others	866,872,191.21	167,557,702.44	117,420,434.00		917,009,459.65
Total	866,872,191.21	167,557,702.44	117,420,434.00		917,009,459.65

29. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets not offset

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Allowance for impairment of assets	905,698,249.10	144,897,978.00	800,118,130.88	128,429,874.02
Deductible losses	2,937,798,262.67	441,891,903.19	2,579,402,663.68	389,544,407.25
Fixed assets	55,442,842.70	13,509,629.14	55,181,543.30	13,469,931.13
Accrued expenses	143,027,034.75	26,986,237.52	132,769,288.28	26,353,080.15
Lease liabilities	1,905,076,496.37	352,178,536.12	1,872,497,186.10	342,955,848.83
Unrealized inter-company transactions	169,486,981.33	43,076,495.86	255,979,699.52	59,652,829.61
Provisions	51,320,866.73	8,814,226.87	57,512,864.31	10,480,061.52
Deferred income	592,973,451.02	97,051,529.24	660,215,044.53	107,254,395.87
Total	6,760,824,184.67	1,128,406,535.94	6,413,676,420.60	1,078,140,428.38

(2) Deferred tax liabilities not offset

In RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
One-off deduction of depreciation of fixed assets	2,225,022,467.78	454,213,334.23	1,588,082,312.80	318,338,339.27
Accrued interest income and others	71,640,514.11	15,285,676.57	86,995,017.26	18,917,600.59
Right-of-use assets	1,268,794,116.83	268,225,787.45	1,252,668,050.83	266,830,422.09
Income tax payable due to increase in appraised value	367,907,563.80	83,537,835.14	384,245,651.82	87,206,749.88
Total	3,933,364,662.52	821,262,633.39	3,311,991,032.71	691,293,111.83

(3) Deferred tax assets and deferred tax liabilities presented on a netting basis

In RMB

Item	Closing offset amount of deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offset	Opening offset amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets		1,128,406,535.94		1,078,140,428.38
Deferred tax liabilities		821,262,633.39		691,293,111.83

(4) Unrecognized deferred tax assets

In RMB

Item	Closing balance	Opening balance
Deductible temporary differences	1,056,370,842.80	1,045,519,017.80
Deductible losses	844,548,985.58	470,774,420.57
Total	1,900,919,828.38	1,516,293,438.37

(5) Deductible losses on unrecognized deferred tax assets that will expire in the following years

In RMB

Year	Closing balance	Opening balance	Remark
2024	40,403,329.83	40,403,329.83	
2025	100,804,003.97	100,804,003.97	
2026	39,377,012.01	39,377,012.01	
2027	265,972,000.92	265,972,000.92	
2028	24,218,073.84	24,218,073.84	
2029	373,774,565.01		
Total	844,548,985.58	470,774,420.57	

30. Other non-current assets

In RMB

Item	Closing balance			Opening balance		
	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Deferred income – unrealized gain or loss on sale and leaseback	23,294,287.43		23,294,287.43	26,662,462.41		26,662,462.41
Prepayment for projects and equipment	1,290,131,209.12		1,290,131,209.12	906,360,511.93		906,360,511.93
Total	1,313,425,496.55		1,313,425,496.55	933,022,974.34		933,022,974.34

31. Assets subject to restrictions on ownership or right of use

In RMB

Item	Closing balance				Opening balance			
	Book balance	Carrying value	Type of restriction	Reason of restriction	Book balance	Carrying value	Type of restriction	Reason of restriction
Cash and bank balances	1,903,122,502.45	1,903,122,502.45	Pledge	Security deposit for notes, etc.	1,315,351,783.39	1,315,351,783.39	Pledge	Security deposit for notes, etc.
Notes receivable	115,000,000.00	115,000,000.00	Pledge	Discounted and not mature	130,000,000.00	130,000,000.00	Pledge	Discounted and not mature
Fixed assets	784,051,228.85	354,652,169.33	Mortgage	Security for loans, sales and leaseback	784,051,228.85	418,641,701.59	Mortgage	Security for loans, sales and leaseback
Accounts receivable financing	85,726,047.96	85,726,047.96	Pledge	Pledge of notes	172,685,965.02	172,685,965.02	Pledge	Pledge of notes
Right-of-use assets	1,594,403,240.92	1,268,794,116.83	Mortgage	Finance lease	1,535,413,001.39	1,252,668,050.83	Mortgage	Finance lease
Accounts receivable			Pledge	Factoring	96,168,092.66	96,168,092.66	Pledge	Factoring
Total	4,482,303,020.18	3,727,294,836.57			4,033,670,071.31	3,385,515,593.49		

32. Short-term borrowings

(1) Short-term borrowings by category

In RMB

Item	Closing balance	Opening balance
Pledge loans	235,613,134.92	
Credit loans	4,449,694,707.51	4,376,608,244.06
Discounting and factoring of notes, letters of credit and accounts receivable	919,885,049.02	779,491,972.95

Total	5,605,192,891.45	5,156,100,217.01
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33. Financial liabilities held for trading

In RMB

Item	Closing balance	Opening balance
Financial liabilities held for trading	180,575,141.54	104,174,076.23
Derivative financial liabilities	180,575,141.54	104,174,076.23
Total	180,575,141.54	104,174,076.23

34. Derivative financial liabilities**35. Notes payable**

In RMB

Category	Closing balance	Opening balance
Commercial acceptance bills	29,758,498.95	52,292,024.62
Banker' s acceptance bills	949,651,102.56	856,879,191.31
Total	979,409,601.51	909,171,215.93

36. Accounts payable**(1) Accounts payable**

In RMB

Item	Closing balance	Opening balance
Payment for materials	5,996,719,613.96	6,672,185,481.42
Payment for projects and equipment	1,924,484,403.22	1,055,789,013.23
Others	432,273,312.96	311,132,681.87
Total	8,353,477,330.14	8,039,107,176.52

37. Other payables

In RMB

Item	Closing balance	Opening balance
Other payables	81,678,161.65	80,188,628.54
Total	81,678,161.65	80,188,628.54

(1) Interest payable**(2) Dividends payable****(3) Other payables****1) Other payables by nature**

In RMB

Item	Closing balance	Opening balance
Temporary receipts payable	59,152,281.25	60,966,287.79
Others	22,525,880.40	19,222,340.75
Total	81,678,161.65	80,188,628.54

38. Advances from clients**39. Contract liabilities**

In RMB

Item	Closing balance	Opening balance
Trade payables	47,925,820.33	28,982,676.07
Total	47,925,820.33	28,982,676.07

40. Employee benefits payable**(1) Employee benefits payable**

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term benefits	540,263,955.36	2,067,935,219.71	2,163,623,948.40	444,575,226.67
II. Post-employment benefits - defined contribution plans	12,915,025.32	165,965,238.70	165,425,941.66	13,454,322.36
III. Termination benefits		26,833,776.36	26,833,776.36	
Total	553,178,980.68	2,260,734,234.77	2,355,883,666.42	458,029,549.03

(2) Short-term employee benefits

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Wages, bonuses, allowances and subsidies	530,225,015.61	1,810,644,113.56	1,906,586,246.75	434,282,882.42
2. Staff welfare		96,311,325.63	96,311,325.63	
3. Social insurance contributions	5,627,610.15	77,689,441.45	77,425,178.99	5,891,872.61

Workers' compensation insurance	434,364.36	5,265,815.52	5,226,834.99	473,344.89
Medical and maternity insurance	5,193,245.79	72,423,625.93	72,198,344.00	5,418,527.72
4. Housing provident fund	2,654,388.88	78,549,348.89	78,576,860.38	2,626,877.39
5. Trade union fund and employee education fund	1,756,940.72	4,740,990.18	4,724,336.65	1,773,594.25
Total	540,263,955.36	2,067,935,219.71	2,163,623,948.40	444,575,226.67

(3) Defined contribution plans

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension insurance	12,317,238.58	160,944,182.45	160,451,190.91	12,810,230.12
2. Unemployment insurance	597,786.74	5,021,056.25	4,974,750.75	644,092.24
Total	12,915,025.32	165,965,238.70	165,425,941.66	13,454,322.36

41. Taxes payable

In RMB

Item	Closing balance	Opening balance
Value-added tax	10,814,735.87	15,906,070.71
Enterprise income tax	280,996,725.80	425,307,243.33
Individual income tax	4,948,949.06	7,474,547.48
Urban maintenance and construction tax	4,779,385.53	6,227,121.91
Property tax	8,921,684.24	8,141,101.87
Stamp duty	5,453,069.52	6,471,998.78
Education surcharge	2,331,092.68	2,672,083.16
Land use tax	509,660.39	735,915.46
Local education surcharge	1,478,493.79	1,781,388.79
Other taxes	2,042,249.75	858,735.34
Total	322,276,046.63	475,576,206.83

42. Liabilities held for trading

43. Non-current liabilities due within one year

In RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	2,431,130,581.55	2,467,018,914.05
Lease liabilities due within one year	24,081,862.12	29,697,992.30

Long-term payables due within one year	21,380,400.00	
Total	2,476,592,843.67	2,496,716,906.35

44. Other current liabilities

In RMB

Item	Closing balance	Opening balance
Output tax to be recognized	2,348,195.83	6,556,017.38
Total	2,348,195.83	6,556,017.38

45. Long-term borrowings**(1) Long-term borrowings by category**

In RMB

Item	Closing balance	Opening balance
Pledge loans	764,600,000.00	764,600,000.00
Credit loans	4,265,823,595.11	3,741,405,477.65
Mortgage and guaranteed loans	200,000,000.00	200,274,861.11
Total	5,230,423,595.11	4,706,280,338.76

46. Bonds payable**47. Lease liabilities**

In RMB

Item	Closing balance	Opening balance
Lease obligations payable	2,084,072,600.33	2,098,735,814.79
Less: Unrecognized financing costs	-203,077,966.08	-255,936,620.99
Total	1,880,994,634.25	1,842,799,193.80

48. Long-term payables

In RMB

Item	Closing balance	Opening balance
Long-term payables	254,675,989.48	296,995,789.48
Total	254,675,989.48	296,995,789.48

(1) Long-term payables by nature

In RMB

Item	Closing balance	Opening balance
Share purchase price	254,675,989.48	296,995,789.48

49. Long-term employee benefits payable**50. Provisions**

In RMB

Item	Closing balance	Opening balance	Reason
Product warranty	20,667,870.06	30,235,945.92	
Provision for sales return	29,187,651.47	30,549,264.52	
Total	49,855,521.53	60,785,210.44	

51. Deferred income

In RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government grants	733,456,685.17	2,774,900.00	79,531,306.68	656,700,278.49	Government grants
Total	733,456,685.17	2,774,900.00	79,531,306.68	656,700,278.49	

52. Other non-current liabilities**53. Share capital**

In RMB

	Opening balance	+/-					Closing balance
		New issue	Bonus shares	Capitalization of capital reserve	Others	Subtotal	
Total shares	1,709,867,327.00						1,709,867,327.00

54. Other equity instruments**55. Capital reserve**

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share premium)	7,896,510,906.74			7,896,510,906.74
Other capital reserve	167,257,502.99	1,107,141.50		168,364,644.49
Total	8,063,768,409.73	1,107,141.50		8,064,875,551.23

Other information (including a description on the change in the current period and the reasons of the change): The change in capital reserve was due to share-based payments recognized under ESOPs in the current period.

56. Treasury shares

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
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Treasury shares	125,906,811.33	25,000,846.30		150,907,657.63
Total	125,906,811.33	25,000,846.30		150,907,657.63

Other information (including a description on the change in the current period and the reasons of the change): The treasury shares were increased in the reporting period due to share repurchase.

57. Other comprehensive income

In RMB

Item	Opening balance	The current period						Closing balance
		Amount before tax	Less: Other comprehensive income reclassified to profit or loss	Less: Other comprehensive income reclassified to retained earnings	Less: Income tax expenses	Amount attributable to the parent after tax	Amount attributable to minor interest after tax	
I. Other comprehensive income that cannot be reclassified to profit or loss	- 350,000.00							- 350,000.00
Change in fair value of investments in other equity instruments	- 350,000.00							- 350,000.00
II. Other comprehensive income that will be reclassified to profit or loss	- 364,664.57	- 92,295,791.72	- 11,487,973.60		1,655,710.30	- 82,463,528.41		- 447,128,107.05
Reserves for cash flow hedge	- 17,554,493.64	- 82,627,441.66	- 11,487,973.60		1,655,710.30	- 72,795,178.35		- 90,349,671.99
Differences in translation of foreign currency financial statements	- 347,110.08	- 9,668,350.06				- 9,668,350.06		- 356,778.43
Total other comprehensive income	- 714,664.57	- 92,295,791.72	- 11,487,973.60		1,655,710.30	- 82,463,528.41		- 797,128,107.05

58. Special reserve**59. Surplus reserve**

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	184,866,869.73			184,866,869.73
Total	184,866,869.73			184,866,869.73

60. Retained profits

In RMB

Item	Amount for the current period	Amount for the previous period
Balance of retained profits at the end of the previous period before adjustment	9,025,095,529.05	7,297,404,445.02
Opening balance of retained profits after adjustment	9,025,095,529.05	7,297,404,445.02
Add: Net profit attributable to owners of the parent	560,600,936.27	1,964,525,269.65
Less: Appropriation to statutory surplus reserve		49,519,034.63
Dividends payable to the ordinary shareholders	425,319,052.25	187,315,150.99
Closing balance of retained profits	9,160,377,413.07	9,025,095,529.05

61. Operating revenue and operating costs

In RMB

Item	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	16,521,772,107.69	14,408,130,744.18	13,595,558,213.91	11,799,102,145.57
Other business	106,814,087.87	47,564,313.33	71,529,611.15	32,267,794.42
Total	16,628,586,195.56	14,455,695,057.51	13,667,087,825.06	11,831,369,939.99

62. Taxes and surcharges

In RMB

Item	Amount for the current period	Amount for the previous period
Urban maintenance and construction tax	39,773,020.05	16,034,842.60
Education surcharge	17,685,634.63	6,864,289.26
Property tax	15,390,414.84	10,133,715.20
Land use tax	957,701.07	856,124.48
Vehicle and vessel tax	346,386.74	310,255.48
Stamp duty	10,533,280.44	10,268,413.75
Local education surcharge	11,790,423.12	5,289,100.78
Environmental protection tax	837,678.42	79,472.62
Total	97,314,539.31	49,836,214.17

63. Administrative expenses

In RMB

Item	Amount for the current period	Amount for the previous period
Employee benefits	254,096,243.15	204,055,142.08
Termination benefits	26,833,776.36	10,512,978.52
Depreciation and amortization	78,433,107.26	57,376,174.57
Consulting service fees	35,623,428.59	28,580,878.83
Office expenses	17,832,051.29	13,373,346.20
Entertainment expenses	22,812,086.03	28,499,318.50
Travel expenses	8,598,359.09	12,731,400.90
Rents	5,215,929.06	9,290,906.49
Repair costs	12,620,656.93	8,956,548.70
Taxes	1,039,457.29	280,638.41
Others	50,826,923.33	53,407,334.78
Total	513,932,018.38	427,064,667.98

64. Selling expenses

In RMB

Item	Amount for the current period	Amount for the previous period
Employee benefits	108,354,693.68	101,518,619.94
Sales service fees	34,177,964.33	20,586,293.81
Export charges	12,199,315.29	13,465,877.87
Travel expenses	6,760,920.66	5,181,482.07
Entertainment expenses	10,223,544.60	10,223,544.60
Sample expense	20,130,408.96	15,351,017.61
Others	6,614,564.13	4,216,860.17
Total	198,461,411.65	170,543,696.07

65. R&D expenses

In RMB

Item	Amount for the current period	Amount for the previous period
Materials	284,790,576.60	171,995,246.32
Labor costs	267,132,170.20	221,188,241.37
Depreciation	45,587,062.83	38,704,246.34
Others	24,713,799.36	25,501,749.18
Total	622,223,608.99	457,389,483.21

66. Financial expenses

In RMB

Item	Amount for the current period	Amount for the previous period
Interest expenses	193,330,353.30	206,902,687.71
Interest on leases and financing fees	36,422,307.24	38,373,636.33
Less: Interest income	141,164,259.09	109,254,733.76

Add: Exchange loss	-125,881,081.93	-187,351,446.58
Bank charges and others	9,751,760.34	12,235,308.36
Total	-27,540,920.14	-39,094,547.94

67. Other income

In RMB

Sources of other income	Amount for the current period	Amount for the previous period
Government grants related to assets	79,531,306.68	77,760,625.57
Government grants related to income	66,248,136.43	68,280,829.16
Refund of individual income tax withholding service fees	991,704.86	1,245,689.62
Value-added tax credits	24,380,280.26	
Tax preferences	5,260,420.66	

68. Net exposure hedging income**69. Gain on changes in fair value**

In RMB

Source of gain on changes in fair value	Amount for the current period	Amount for the previous period
Financial assets held for trading	-15,065,635.92	-8,871,765.01
Total	-15,065,635.92	-8,871,765.01

70. Investment income

In RMB

Item	Amount for the current period	Amount for the previous period
Income from long-term equity investments under the equity method	-4,311,831.51	-633,126.48
Investment income from the disposal of financial assets held for trading	-43,948,067.47	11,067,076.03
Income from debt restructuring	2,062,881.90	
Discount loss on accounts receivable financing	-3,082,914.57	-1,215,084.94
Income from bank wealth management products	855,961.44	2,415,520.11
Total	-48,423,970.21	11,634,384.72

71. Credit loss

In RMB

Item	Amount for the current period	Amount for the previous period
Loss from doubtful accounts	-57,244,335.30	-64,859,876.70
Total	-57,244,335.30	-64,859,876.70

72. Impairment loss on assets

In RMB

Item	Amount for the current period	Amount for the previous period
I. Impairment of inventories and contract fulfilling costs	-105,585,722.55	-60,359,147.92
Total	-105,585,722.55	-60,359,147.92

73. Gain on disposal of assets

In RMB

Source of gain on disposal of assets	Amount for the current period	Amount for the previous period
Gain on disposal of fixed assets	-34,905,446.22	-4,613,581.75

74. Non-operating revenue

In RMB

Item	Amount for the current period	Amount for the previous period	Amount recognized in non-recurring gain or loss
Gain on business combination		158,433,706.74	
Revenue from penalties and forfeitures	3,574,668.97	232,648.74	3,574,668.97
Amounts that cannot be paid	384,586.86	1,909,625.59	384,586.86
Others	1,023,803.86	922,503.40	1,023,803.86
Total	4,983,059.69	161,498,484.47	4,983,059.69

75. Non-operating expenses

In RMB

Item	Amount for the current period	Amount for the previous period	Amount recognized in non-recurring gain or loss
Donations	2,032,060.00	712,176.97	2,032,060.00
Loss on destruction and retirement of non-current assets	1,313,816.79	3,041,247.98	1,313,816.79
Penalties, overdue fines and liquidated damages	121,263.86	649,883.50	121,263.86
Others	2,104,408.20	798,848.10	2,104,408.20
Total	5,571,548.85	5,202,156.55	5,571,548.85

76. Income tax expenses**(1) Statement of income tax expenses**

In RMB

Item	Amount for the current period	Amount for the previous period
Income tax expense	47,382,680.04	245,495,348.06

Deferred income tax expenses	76,792,036.62	-123,646,675.58
Total	124,174,716.66	121,848,672.48

(2) Reconciliation of income tax expenses to accounting profit

In RMB

Item	Amount for the current period
Total profit	683,098,729.39
Income tax expenses	124,174,716.66

77. Other comprehensive income

See Note 57.

78. Items of the cash flow statement

(1) Cash flows related to operating activities

Other cash receipts related to operating activities:

In RMB

Item	Amount for the current period	Amount for the previous period
Security deposit for acceptance bills	292,804,080.02	568,591,615.97
Government grants	75,652,600.37	89,183,807.74
Interest income	141,164,259.09	109,254,733.76
Temporary receipts payable and others	82,870,034.31	92,716,531.90
Total	592,490,973.79	859,746,689.37

Other cash payments related to operating activities

In RMB

Item	Amount for the current period	Amount for the previous period
Security deposit for acceptance bills	450,511,403.51	557,165,873.88
Selling expenses and administrative expenses in cash	346,654,910.34	275,041,587.05
Bank charges	9,751,760.34	12,235,308.36
Temporary payments receivable and others	20,705,500.14	1,299,627.33
Total	827,623,574.33	845,742,396.62

(2) Cash flows related to investing activities

Other cash receipts related to investing activities

In RMB

Item	Amount for the current period	Amount for the previous period
Recovery of term deposits	419,424,782.41	28,655,922.05
Total	419,424,782.41	28,655,922.05

Other cash payments related to investing activities

In RMB

Item	Amount for the current period	Amount for the previous period
Term deposits	530,962,815.64	126,553,313.15
Total	530,962,815.64	126,553,313.15

(3) Cash flows related to financing activities

Other cash receipts related to financing activities

In RMB

Item	Amount for the current period	Amount for the previous period
Proceeds from discounts on acceptance bills and letters of credit	329,197,076.44	458,901,268.55
Total	329,197,076.44	458,901,268.55

Other cash payments related to financing activities

In RMB

Item	Amount for the current period	Amount for the previous period
Security deposits	193,427,617.44	3,376,021.50
Payment of rents	93,422,168.32	148,009,080.25
Payments under bill financing	511,413,491.20	562,368,813.80
Repurchase of treasury shares	25,000,846.30	
Total	823,264,123.26	713,753,915.55

Changes in liabilities arising from financing activities

Applicable N/A

79. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

In RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	558,924,012.73	824,643,184.71
Add: Allowance for impairment of assets	106,066,217.85	45,552,358.04
Depreciation of fixed assets, oil and gas assets, and productive biological assets	999,264,228.33	872,030,135.94
Depreciation of right-of-use assets	40,529,013.96	41,821,214.76
Amortization of intangible assets	48,441,737.48	36,614,756.69
Amortization of long-term deferred expenses	117,420,434.00	58,334,203.60
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with "-")	34,905,446.22	4,613,581.75
Loss on retirement of fixed assets (gain expressed with "-")	1,313,816.79	3,041,247.98
Loss on changes in fair value (gain expressed with "-")	1,821,721.89	8,871,765.01

Financial expenses (income expressed with “-”)	103,871,578.61	42,195,614.06
Investment loss (income expressed with “-”)	61,667,884.24	-11,634,384.72
Decrease in deferred tax assets (increase expressed with “-”)	-50,266,107.56	-114,378,550.51
Increase in deferred tax liabilities (decrease expressed with “-”)	133,638,436.31	-15,728,963.52
Decrease in inventories (increase expressed with “-”)	103,490,060.63	-97,553,947.06
Decrease in trade receivables (increase expressed with “-”)	273,447,550.24	549,292,336.67
Increase in trade payables (decrease expressed with “-”)	-445,566,632.44	366,186,282.62
Others		
Net cash flows from operating activities	2,088,969,399.28	2,613,900,836.02
2. Significant investing and financing activities not involving cash receipts and payments:		
Debt-to-capital swap		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	6,051,354,094.24	5,620,735,100.35
Less: Opening balance of cash	5,644,487,018.31	5,457,026,822.70
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	406,867,075.93	163,708,277.65

(2) Net cash paid for the acquisition of subsidiaries in the current period**(3) Net cash received from the disposal of subsidiaries in the current period****(4) Components of cash and cash equivalents**

In RMB

Item	Closing balance	Opening balance
I. Cash	6,051,354,094.24	5,644,487,018.31
Incl.: Cash on hand	426,978.14	559,941.39
Bank deposits immediately available for withdrawal	6,050,927,116.10	5,643,927,076.92
III. Closing balance of cash and cash equivalents	6,051,354,094.24	5,644,487,018.31

(5) Amounts subject to restriction on use but still presented as cash and cash equivalents

In RMB

Item	Amount for the current period	Amount for the previous period	Reason for presentation as cash and cash equivalents
Offering proceeds	166,116,411.96	30,654,962.53	Immediately available for withdrawal despite of restriction on use
Total	166,116,411.96	30,654,962.53	

(6) Cash and bank balances not classified as cash and cash equivalents

In RMB

Item	Amount for the current period	Amount for the previous period	Reason for not classified as cash and cash equivalents
Security deposit for term deposits	791,544,001.77	690,180,814.95	May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for bills	537,443,017.99	497,103,353.58	May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for the acquisition	230,197,429.36	230,197,429.36	May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for letters of credit	61,127,995.41	73,225,915.43	May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for letters of guarantee	70,997,096.62	54,841,699.43	May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for loans	211,812,961.30		May be unavailable for payment due to pledge, freeze or otherwise
Total	1,903,122,502.45	1,545,549,212.75	

80. Notes to items of the statement of changes in owners' equity**81. Monetary items denominated in foreign currencies****(1) Monetary items denominated in foreign currencies**

In RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			
Incl.: USD	530,338,989.42	7.1268	3,779,619,909.80
EUR	519,911.40	7.6617	3,983,405.17
HKD	81,799.07	0.9127	74,658.01
KRW	12,946,659.00	0.0052	67,322.63
SGD	2,725,675.37	5.279	14,388,840.28
NTD	175,979.00	0.2234	39,313.71
JPY	220,097.03	0.0447	9,838.34
SEK	33,074.71	0.6737	22,282.43
MXN	19,053,026.76	0.3857	7,348,752.42

Accounts receivable			
Incl.: USD	651,873,021.75	7.1268	4,645,768,651.41
EUR	26,690.33	7.6617	204,493.30
HKD			
NTD	1,462,528.51	0.2234	326,728.87
Long-term borrowings			
Incl.: USD	8,306,932.28	7.1268	59,201,844.97
EUR			
HKD			
Other receivables			
Incl.: USD	251,396,925.19	7.1268	1,791,655,606.44
SGD	87,538.05	5.279	462,113.37
Short-term borrowings			
Incl.: USD	144,501,328.85	7.1268	1,029,832,070.45
Accounts payable			
Incl.: USD	281,020,802.66	7.1268	2,002,779,056.40
EUR	359,160.81	7.6617	2,751,782.38
SGD	38,172.36	5.2790	201,511.89
NTD	36,605.00	0.2234	8,177.56
JPY	763,869,956.00	0.0447	34,144,987.03
SEK	2,650.00	0.6737	1,785.31
MXN	2,291,768.38	0.3857	883,935.06
Employee benefits payable			
Incl.: USD	4,569,366.81	7.1268	32,564,963.38
MXN	1,033,308.83	0.3857	398,547.22
Taxes payable			
Incl.: USD	11,641,581.21	7.1268	82,967,220.97
MXN	8,542,023.88	0.3857	3,294,658.61
Other payables			
Incl.: USD	213,233,051.89	7.1268	1,519,669,314.21
SGD	9,070.11	5.279	47,881.11
JPY	781,745.00	0.0447	34,944.00
Notes payable			
Incl.: USD	63,507,320.49	7.1268	452,603,971.67
JPY	6,750,000.00	0.0447	301,725.00
Non-current liabilities due within one year			
Incl.: USD	28,515,030.87	7.1268	203,220,922.00

(2) Information about overseas operating entities, including main places of business and functional currencies of major overseas operating entities, basis for the choice of functional currencies, and reasons for changes in functional currencies:

Applicable N/A

VIII. Research and Development Expenses

In RMB

Item	Amount for the current period	Amount for the previous period
Direct costs	284,790,576.60	171,995,246.32
Labor costs	267,132,170.20	221,188,241.37
Depreciation	45,587,062.83	38,704,246.34
Others	24,713,799.36	25,501,749.18
Total	622,223,608.99	457,389,483.21

IX. Changes in the Scope of Consolidation**X. Interests in Other Entities****1. Interests in subsidiaries****(1) Composition of the enterprise group**

In RMB

Subsidiary	Registered capital	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage		Method of acquisition
					Direct	Indirect	
Suzhou Yongchuang Metal Science and Technology Co., Ltd.		Suzhou	Suzhou	Manufacturing	100.00%		Business combination involving entities under common control
Suzhou Dongkui Lighting Co., Ltd.		Suzhou	Suzhou	Manufacturing	100.00%		Established
Suzhou Chengjia		Suzhou	Suzhou	Manufacturing	100.00%		Established
Dongguan Dongshan Precision Manufacturing Co., Ltd.		Dongguan	Dongguan	Manufacturing	95.00%	5.00%	Established
Suzhou Dongjiyuan Metal Technology Co., Ltd.		Suzhou	Suzhou	Manufacturing	100.00%		Established
Yancheng Dongshan		Yancheng	Yancheng	Manufacturing	95.00%	5.00%	Established
Suzhou Jebson Intelligent Technology Co., Ltd.		Suzhou	Suzhou	Manufacturing	51.00%		Established
Suzhou Dongdai Electronic Technology Co., Ltd.		Suzhou	Suzhou	Manufacturing	51.00%		Established
Suzhou Dongyan Electronic Technology Co., Ltd.		Suzhou	Suzhou	Manufacturing	51.00%		Established
Yancheng Dongshan		Yancheng	Yancheng	Property	95.00%	5.00%	Established

Business Management Co., Ltd.				management			
Yancheng Dongshan Communication Technology Co., Ltd.		Yancheng	Yancheng	Manufacturing	100.00%		Established
Shanghai Chengjia Consulting Management Co., Ltd.		Shanghai	Shanghai	Business & investment	100.00%		Established
Yancheng Mutto Optronics Technology Co., Ltd.		Yancheng	Yancheng	Manufacturing		100.00%	Established
Dowell Smart Suzhou Co., Ltd.		Suzhou	Suzhou	Manufacturing		100.00%	Established
MFLEX Yancheng Co., Ltd.		Yancheng	Yancheng	Manufacturing		100.00%	Established
MFLEX Suzhou		Suzhou	Suzhou	Manufacturing		100.00%	Business combinations involving entities not under common control
MFLEX Chengdu Co., Ltd.		Chengdu	Chengdu	Manufacturing		100.00%	Business combinations involving entities not under common control
RF Top Electronic		Suzhou	Suzhou	Manufacturing	93.51%		Business combinations involving entities not under common control
Mutto Optronics		Suzhou	Suzhou	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek Technology (Zhuhai) Co., Ltd.		Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek Industries		Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under

							common control
Multek Electronics		Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek Zhuhai		Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek China		Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek Zhuhai Enterprise Management Co., LTD		Zhuhai	Zhuhai	Business & investment		100.00%	Established
Suzhou Dongbo Precision Manufacturing Co., Ltd.		Suzhou	Suzhou	Manufacturing	51.00%		Established
MFLEX Shanghai Co., Ltd.		Shanghai	Shanghai	Wholesale	100.00%		Established
Shenzhen Qindao Dongchuang Investment Partnership (L.P.)		Shenzhen	Shenzhen	Business & investment	76.92%		Established
Suzhou Dongke Real Estate Co., Ltd.		Suzhou	Suzhou	Real estate	100.00%		Established
Yancheng Dongchuang Precision Manufacturing Co., Ltd.		Yancheng	Yancheng	Manufacturing	100.00%		Established
Suzhou Dongchen Intelligent Equipment Manufacturing Co., Ltd.		Suzhou	Suzhou	Manufacturing		100.00%	Established
Shanghai Dongxin New Energy Technology Co., Ltd.		Shanghai	Shanghai	Manufacturing	95.00%	5.00%	Established
Shanghai Donglan New Energy Technology Co., Ltd.		Shanghai	Shanghai	Manufacturing		100.00%	Established
Suzhou Dongyue New Energy Technology Co., Ltd.		Kunshan	Kunshan	Manufacturing	90.00%	10.00%	Established
Suzhou Dongshan Industrial Investment Co., Ltd.		Suzhou	Suzhou	Business & investment	100.00%		Established

Suzhou Dongdi Holding Limited		Suzhou	Suzhou	Business & investment		100.00 %	Established
Suzhou JDI		Suzhou	Suzhou	Manufacturing	100.00 %		
Chaowei Microelectronics (Yancheng) Co., Ltd.		Yancheng	Yancheng	Manufacturing		100.00 %	Established
Hong Kong Dongshan		Hong Kong	Hong Kong	Business & investment	100.00 %		Established
Mutto Optronics Group Limited		BVI		Business & investment		100.00 %	Business combinations involving entities not under common control
DSBJ holdings Inc.		USA		Business & investment		100.00 %	Established
DSBJ International Inc.		USA		Business & investment		100.00 %	Established
DSBJ Solutions INC		USA		Business & investment		100.00 %	Established
Dragon Electronix Holdings INC.		USA		Business & investment		100.00 %	Established
Multi-Fineline Electronix, Inc.		USA		Business & investment		100.00 %	Business combinations involving entities not under common control
MFLEX Delaware, Inc.		Delaware		Business & investment		100.00 %	Business combinations involving entities not under common control
Multi-Fineline Electronix Singapore Pte. Ltd.		Singapore		Business & investment		100.00 %	Business combinations involving entities not under common control
MFLEX B.V.		Netherlands		Business & investment		100.00 %	Business combinations involving entities not under common control
Hong Kong Dongshan Holding Limited		Hong Kong		Business & investment	100.00 %		Established

DSBJ PTE. LTD.		Singapore		Business & investment		100.00 %	Established
Multek Group (Hong Kong) Limited		Hong Kong		Business & investment		100.00 %	Established
Multek Technology, Inc.		USA		Business & investment		100.00 %	Established
Multek Technologies Limited		Mauritius		Business & investment		100.00 %	Business combinations involving entities not under common control
The Dii Group (BVI) Co. Limited		BVI		Business & investment		100.00 %	Business combinations involving entities not under common control
The Dii Group Asia Limited		Hong Kong		Business & investment		100.00 %	Business combinations involving entities not under common control
Multek Hong Kong Limited		Hong Kong		Business & investment		100.00 %	Business combinations involving entities not under common control
Astron Group Limited		Hong Kong		Business & investment		100.00 %	Business combinations involving entities not under common control
Vastbright PCB (Holding) Limited		Hong Kong		Business & investment		100.00 %	Business combinations involving entities not under common control
Multek Technology Germany GmbH		Germany		Business & investment		100.00 %	Business combinations involving entities not under common

							control
Multek Technology Sweden AB		Sweden		Business & investment		100.00 %	Established
Multek Technology Malaysia SDN.BHD		Malaysia		Business & investment		100.00 %	Established
Korea branch office of DSBJ Pte. Ltd.		Korea		Business & investment		100.00 %	Established
Autotech Production de Mexico S. de R. L. de C.V.		Mexico		Manufacturing		100.00 %	Business combinations involving entities not under common control
Aranda Tooling, Inc.		USA		Manufacturing		100.00 %	Business combinations involving entities not under common control
AutoTech Production Services, Inc.		USA		Manufacturing		100.00 %	Business combinations involving entities not under common control
DSBJ MEXICO,S.DER.L.DEC.V		Mexico		Manufacturing		100.00 %	Established
Multi-Fineline Electronics (Thailand) Co., Ltd.		Thailand		Manufacturing		100.00 %	Established
Hong Kong Dongdi Holding Limited		Hong Kong		Business & investment		100.00 %	Established

XI. Government Grants

1. Government grants recognized at the amount receivable at the end of the reporting period

Applicable N/A

Closing balance of government grants receivable: RMB40,256,780.00.

Reason for failure to receive expected government grants at the expected time:

Applicable N/A

2. Liabilities related to government grants

Applicable N/A

In RMB

Item	Opening balance	New grants received in the current period	Amount of non-operating revenue recognized in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income	733,456,685.17	2,774,900.00		79,531,306.68		656,700,278.49	Related to assets

3. Government grants recognized in profit or loss

Applicable N/A

In RMB

Item	Amount for the current period	Amount for the previous period
Government grants recognized in other income	145,779,443.11	146,761,931.98
Effect of financial interest subsidy on total profit		156,000.00

XII. Risks Associated with Financial Instruments

1. Risks arising from financial instruments

The Company's objectives of risk management are to maintain a balance between risk and income, minimize the negative effect of risks on the operating results of the Company and maximize the interests of the shareholders and other equity investors. On the basis of such objectives of risk management, the Company's basic risk management policy is designed to identify and analyze all kinds of risks facing the Company, set appropriate risk thresholds in risk management, and monitor risks and adherence to limits in a timely and reliable manner.

The Company faces a variety of risks associated with financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. Below is a summary of the policies for managing such risks considered and approved by the management.

(I) Credit risk

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

1. Credit risk management practice

(1) Assessment of credit risk

At each balance sheet date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. In 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 risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during their estimated lifetime through a comparison of the default risk at the balance sheet date and the initial recognition date, on an individual or collective basis.

The Company determines that the credit risk of a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

- 1) Quantitative standard, mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition; and/or
- 2) Qualitative standard mainly relates to significant adverse changes in the debtor's business situation or financial position, and present or expected changes in technology, market, economy or legal environment that will have a material adverse effect on the debtor's ability to repay.

(2) Definition of default and credit-impaired assets

A financial instrument is in default or credit impaired when one or more of the following conditions are met:

- 1) significant financial difficulty of the debtor.
- 2) any breach by the debtor of contract terms binding on it.
- 3) it becomes probable that the debtor will enter bankruptcy or other financial reorganization.
- 4) the creditors of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditors would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit losses include the probability of default, loss given default, and exposure to default risk. The Company has developed a model of the probability of default, loss given default and exposure to default risk on the basis of quantitative analysis of historical data (e.g. counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. See Notes V(I)3, V(I)4, V(I)7 and V(I)10 for the conciliation table of opening balances and closing balances of allowance for impairment loss on financial instruments.

4. Credit risk exposure and credit risk concentration

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) Cash and bank balances

The Company deposits its bank balances and other monetary capital in financial institutions with relatively high credit ratings, so its credit risk is relatively low.

(2) Accounts receivable

The Company performs credit assessments on customers using credit settlement on an ongoing basis. The Company selects approved and creditworthy customers based on the result of credit assessment, and monitors the balance of accounts receivable from them on an ongoing basis, to avoid significant risk of doubtful accounts.

As the Company only deals with approved and creditworthy third parties, no collateral is required. As of June 30, 2024, the Company faced certain credit concentration risks. In particular, 49.75% (December 31, 2023: 60.39%) of the Company's accounts receivable came from the top 5 customers, without any collateral or other credit enhancement.

The Company's maximum exposure to credit risk is the carrying value of each financial asset in the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may not have enough cash to satisfy its obligation to deliver cash or other financial assets, due to the inability to liquidate financial assets at fair value in a timely manner, or failure of counterparties to discharge their contract liabilities, acceleration of debts, failure to generate expected cash flows, or otherwise.

In order to control such risk, the Company utilizes a variety of financing tools such as settlement by means of notes, bank loans, etc., combines long-term and short-term financing to optimize financing structure, and maintains a balance between financing sustainability and flexibility. The Company has obtained lines of credit from many commercial banks to satisfy its working capital requirements and capital expenditures.

Financial liabilities classified by remaining maturity

In RMB

Item	As of the end of the current period				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank loans (including non-current liabilities due within one year)	13,266,747,068.11	13,771,254,176.22	8,289,023,807.20	4,013,967,725.26	1,468,262,643.76
Financial liabilities held for trading	180,575,141.54	180,575,141.54	180,575,141.54		
Notes payable	979,409,601.51	979,409,601.51	979,409,601.51		
Accounts payable	8,353,477,330.14	8,353,477,330.14	8,353,477,330.14		
Other payables	81,678,161.65	81,678,161.65	81,678,161.65		
Lease liabilities (including non-current liabilities due within one year)	1,905,076,496.37	2,053,841,740.42	25,498,078.10	1,594,309,427.07	434,034,235.25
Long-term payables (including non-current liabilities due within one year)	276,056,389.48	276,056,389.48	21,380,400.00	254,675,989.48	
Subtotal	25,043,020,188.80	25,696,292,540.96	17,931,042,520.13	5,862,953,141.81	1,902,296,879.02

(Continued)

Item	As of the end of the previous year				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank loans (including non-current liabilities due within one year)	12,329,399,469.8 ₂	12,883,478,634.7 ₁	7,981,675,775.53	3,054,956,512.8 ₄	1,846,846,346.3 ₄
Financial liabilities held for trading	104,174,076.23	104,174,076.23	104,174,076.23		
Notes payable	909,171,215.93	909,171,215.93	909,171,215.93		
Accounts payable	8,039,107,176.52	8,039,107,176.52	8,039,107,176.52		
Other payables	80,188,628.54	80,188,628.54	80,188,628.54		
Lease liabilities (including non-current liabilities due within one year)	1,872,497,186.10	2,130,134,243.16	77,293,792.42	1,609,372,610.7 ₁	443,467,840.03
Long-term payables (including non-current liabilities due within one year)	296,995,789.48	296,995,789.48		296,995,789.48	
Subtotal	23,631,533,542.6 ₂	24,443,249,764.5 ₇	17,191,610,665.17	4,961,324,913.0 ₃	2,290,314,186.3 ₇

(III) Market Risk

Market risk is the risk of fluctuation in the fair value or future cash flows of financial instruments due to changes in market prices.

Market risk mainly includes interest risk and foreign exchange risk.

1. Interest risk

Interest risk is the risk of fluctuation in the fair value or future cash flows of financial instruments due to changes in market interest rates. Interest-bearing financial instruments with fixed interest rates expose the Company to fair value interest rate risk, while interest-bearing financial instruments with floating interest rates expose the Company to cash flow interest rate risk. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and reviews and monitors the appropriateness of its portfolio of financial instruments on a regular basis. The cash flow interest rate risk that the Company faces is primarily associated with the floating-rate bank loans owed by the Company, which amounted to RMB2,447,213,171.46 as of June 30, 2024 (December 31, 2023: RMB1,406,781,793.94). Supposing the interest rate changes by 50 basic points while other variables remain unchanged, the Company's total profit and shareholders' interest will not be materially affected.

2. Foreign exchange risk

Foreign exchange risk is the risk of fluctuation in the fair value or future cash flows of financial instruments due to changes in exchange rates. The Company's foreign exchange risk relates mainly to foreign currency denominated monetary assets and liabilities. When a

short-term imbalance occurs on foreign currency denominated assets and liabilities, the Company may trade foreign currencies at market exchange rates when necessary, in order to maintain the net risk exposure at an acceptable level.

See Note V(V)2 to the Financial Statements for details of foreign currency denominated monetary assets and liabilities as of the end of the reporting period.

2. Hedging

3. Financial assets

XIII. Fair Value Disclosures

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

In RMB

Item	Closing balance of fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	--	--	--	--
1. Financial assets at fair value through profit or loss			140,916,032.21	140,916,032.21
(2) Investment in equity instruments			69,320,128.82	69,320,128.82
(4) Derivatives			25,782,508.65	25,782,508.65
(5) Bank wealth management products			45,813,394.74	45,813,394.74
(II) Other debt investments			199,435,267.61	199,435,267.61
(III) Investment in other equity instruments			283,657,110.00	283,657,110.00
Total assets measured at fair value on a recurring basis			624,008,409.82	624,008,409.82
(VI) Financial liabilities held for trading			180,575,141.54	180,575,141.54
Total liabilities measured at fair value on a recurring basis			180,575,141.54	180,575,141.54
II. Fair value measurement on a non-recurring basis	--	--	--	--

XIV. Related Parties and Related-party Transactions

1. Parent of the Company

The Company's actual controllers are YUAN Yonggang, YUAN Yongfeng and YUAN Fugen, who hold 11.83%, 13.01% and 3.44% of the total shares and votes of the Company respectively, and 28.27% of the total shares and votes of the Company in aggregate.

2. Subsidiaries of the Company

The particulars of the subsidiaries of the Company are set forth in “Interests in Other Entities”.

3. Joint ventures and associates of the Company

The particulars of the joint ventures and associates of the Company are set forth in “Interests in Other Entities”.

Other joint ventures or associates that have carried out related-party transactions with the Company in the current period or the previous periods with balances recorded in the current period:

Name of joint venture or associate	Relationship with the Company
Suzhou Toprun Electric Equipment Co., Ltd.	Associate
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Associate

4. Other related parties

Name of other related party	Relationship with the Company
Hai Dixin Semiconductor (Nantong) Co., Ltd.	Associate
Anhui Landun Photoelectron Co., Ltd.	A company controlled by the actual controllers of the Company
Shanghai Corkuna New Material Technologies Co., Ltd.	A company controlled by the actual controllers of the Company
Suzhou Corkuna New Material Technologies Co., Ltd.	A company controlled by the actual controllers of the Company

5. Related-party transactions

(1) Related-party commodity and service transactions

Purchase of goods and receipt of services from related parties

In RMB

Related party	Subject matter	Amount for the current period	Transaction quota approved	Whether or not exceed the transaction quota?	Amount for the previous period
Suzhou Toprun Electric Equipment Co., Ltd.	Purchase of goods			No	
Shanghai Corkuna New Material Technologies Co., Ltd.	Purchase of goods	6,839,456.25		No	
Suzhou Corkuna New Material Technologies Co., Ltd.	Purchase of goods	1,373,169.59		No	
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Purchase of goods	28,320.00		No	11,688.80

Sale of goods and rendering of services to related parties

In RMB

Related party	Subject matter	Amount for the current period	Amount for the previous period
Suzhou Toprun Electric Equipment Co., Ltd.	Sale of services	101,886.79	
Suzhou Toprun Electric Equipment Co., Ltd.	Sale of equipment		
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Sale of goods		
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Rendering of services	25,776.74	63,630.55

Anhui Landun Photoelectron Co., Ltd.	Rendering of services		269,820.00
Suzhou Corkuna New Material Technologies Co., Ltd.	Sale of equipment		

(2) Related-party entrusted management/contracts**(3) Related-party leases****(4) Related-party guarantees**

The Company as guarantor:

In RMB

Obligor	Amount guaranteed	Effective date of guarantee	Expiry date of guarantee	Whether the obligation guaranteed has been discharged
Suzhou Toprun Electric Equipment Co., Ltd.	5,400,000.00	August 24, 2023	August 23, 2024	No
Suzhou Toprun Electric Equipment Co., Ltd.	6,600,000.00	September 5, 2023	September 4, 2024	No
Suzhou Toprun Electric Equipment Co., Ltd.	8,000,000.00	January 24, 2024	January 23, 2025	No
Shanghai Fu Shan Precision Manufacturing Co., Ltd.	30,000,000.00	October 12, 2023	October 11, 2024	No

The Company as obligor:

In RMB

Guarantor	Amount guaranteed	Effective date of guarantee	Expiry date of guarantee	Whether the obligation guaranteed has been discharged
YUAN Yonggang and YUAN Yongfeng	500,000,000.00	March 22, 2018	August 28, 2024	No

(5) Related-party loans**(6) Related-party asset transfer and debt restructuring****(7) Remunerations of key officers**

In RMB

Item	Amount for the current period	Amount for the previous period
Remunerations of key officers	11,522,600.00	10,614,800.00

6. Amounts receivable from/payable to related parties**(1) Amounts receivable from related parties**

In RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Allowance for	Book balance	Allowance for

			doubtful accounts		doubtful accounts
Accounts receivable	Suzhou Dongcan Optoelectronics Technology Co., Ltd.	282,823.95	50,538.47	257,026.80	22,356.61
Accounts receivable	Suzhou Toprun Electric Equipment Co., Ltd.			129,457.70	1,150.29
Accounts receivable	Hai Dixin Semiconductor (Nantong) Co., Ltd.	1,607,132.92	1,607,132.92	1,607,132.92	1,607,132.92
Accounts receivable	Suzhou Corkuna New Material Technologies Co., Ltd.			339,816.02	1,699.08
Other receivables	Hai Dixin Semiconductor (Nantong) Co., Ltd.	1,790,748.55	1,790,748.55	1,790,748.55	1,790,748.55

(2) Amounts payable to related parties

In RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Suzhou Dongcan Optoelectronics Technology Co., Ltd.	262,791.75	310,347.77
Accounts payable	Shanghai Corkuna New Material Technologies Co., Ltd.	4,518,253.61	7,338,661.31
Accounts payable	Suzhou Corkuna New Material Technologies Co., Ltd.	1,399,264.96	
Contract liabilities	Suzhou Toprun Electric Equipment Co., Ltd.	74,822.30	

XV. Share-based Payments

1. Summary of share-based payments

Applicable N/A

In RMB

Type of grantees	Granted in the current period		Exercised in the current period		Vested in the current period		Expired in the current period	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Administrative personnel					559,889	10,973,815.00	33,560	657,766.00
R&D personnel					58,370	1,144,052.00	1,213	23,775.00
Sales personnel					64,799	1,270,060.00		
Total					683,058	13,387,927.00	34,773	681,541.00

2. Equity-settled share-based payments

Applicable N/A

In RMB

Method for determining the fair value of equity instruments at the grant date	Closing price of the Company's stock at the date the relevant employee stock ownership plan was approved by the general
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	meeting of shareholders
Important parameters for the fair value of equity instruments at the grant date	The number approved by the Board of Directors and the general meeting of shareholders of the Company, taking into account the performance indicators
Basis for determining the number of exercisable equity instruments	N/A
Reason of significant differences between the current estimates and previous estimates	None
Aggregate amount of equity-settled share-based payments recorded in capital reserve	26,716,385.96
Total amount of equity-settled share-based payments recognized in expenses in the current period	1,107,141.50

3. Cash-settled share-based payments

4. Share-based payments in the current period

Applicable N/A

In RMB

Type of grantees	Equity-settled share-based payments	Cash-settled share-based payments
Administrative personnel	910,450.75	
R&D personnel	94,609.70	
Sales personnel	102,081.05	
Total	1,107,141.50	

XVI. Commitments and Contingencies

XVII. Subsequent Events

XVIII. Other Significant Information

XIX. Notes to Key Items of the Standalone Financial Statements

1. Accounts receivable

(1) Accounts receivable by age

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	2,271,202,511.02	1,278,554,642.91
Within 6 months	2,139,214,083.54	1,195,439,845.81
7-12 months	131,988,427.48	83,114,797.10
1-2 years	224,371,577.97	689,194,247.06
2-3 years	97,746,067.54	4,893,435.36
Over 3 years	81,216,880.17	227,083,256.45

3-4 years	8,755,345.18	195,473,911.72
4-5 years	42,314,052.73	9,831,416.31
Over 5 years	30,147,482.26	21,777,928.42
Total	2,674,537,036.70	2,199,725,581.78

(2) Accounts receivable by method of recognition of allowance for doubtful accounts

In RMB

Item	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Accounts receivable with allowance recognized individually	12,127,413.92	0.45%	12,127,413.92	100.00%		12,127,413.92	0.55%	12,127,413.92	100.00%	
Incl.:										
Accounts receivable with allowance recognized collectively	2,662,409,622.78	99.55%	159,640,829.66	6.00%	2,502,768,793.12	2,187,598,167.86	99.45%	102,894,892.64	4.70%	2,084,703,275.22
Incl.:										
Total	2,674,537,036.70	100.00%	171,768,243.58	6.42%	2,502,768,793.12	2,199,725,581.78	100.00%	115,022,306.56	5.23%	2,084,703,275.22

Accounts receivable with allowance recognized collectively by category name:

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Group of related parties within the scope of consolidation	1,528,387,645.68		
Aging group	1,134,021,977.10	159,640,829.66	14.08%
Total	2,662,409,622.78	159,640,829.66	

(3) Allowance for doubtful accounts recognized, recovered or reversed in the current period**(4) Accounts receivable actually written off in the current period****(5) Top 5 debtors in terms of closing balance of accounts receivable and contract assets**

In RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and contract assets	% of total closing balance of accounts receivable and contract assets	Closing balance of allowance for doubtful accounts receivable and impairment of contract assets
Debtor 1	675,656,845.42		675,656,845.42	25.26%	
Debtor 2	455,870,292.70		455,870,292.70	17.04%	
Debtor 3	214,492,463.80		213,386,916.35	8.02%	1,105,547.45
Debtor 4	145,003,763.36		144,278,744.54	5.42%	725,018.82
Debtor 5	143,534,517.06		143,534,517.06	5.37%	
Total	1,634,557,882.34		1,632,727,316.07	61.11%	1,830,566.27

2. Other receivables

In RMB

Item	Closing balance	Opening balance
Dividends receivable	1,559,915,617.48	2,203,111,413.70
Other receivables	5,662,285,933.05	3,049,524,125.86
Total	7,222,201,550.53	5,252,635,539.56

(1) Dividends receivable**1) Dividends receivable by category**

In RMB

Item (or investee)	Closing balance	Opening balance
HongKongDongshanHoldingLimited	1,293,915,617.48	1,817,111,413.70
Yancheng Dongshan	266,000,000.00	266,000,000.00
Suzhou JDI		120,000,000.00
Total	1,559,915,617.48	2,203,111,413.70

2) Significant dividends receivable aged over one year

In RMB

Item (or investee)	Closing balance	Age	Reason for failure to collect	Whether or not impaired and the basis for determination
Hong Kong Dongshan Holding Limited	179,100,539.32	2-3 years	To support the development of the subsidiary	

Yancheng Dongshan	266,000,000.00	2-3 years	To support the development of the subsidiary	
Total	445,100,539.32			

(2) Other receivables**1) Other receivables by nature**

In RMB

Nature of account	Closing book balance	Opening book balance
Current accounts	5,647,610,932.99	3,043,264,560.13
Security deposit	1,963,238.00	2,042,208.17
Loans and reserve fund	12,885,662.09	2,562,780.89
Temporary payment receivable	3,515,919.51	4,250,557.91
Total	5,665,975,752.59	3,052,120,107.10

2) Other receivables by age

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	3,737,088,391.59	2,918,638,154.04
1-2 years	1,804,522,093.79	123,650,779.00
2-3 years	121,595,000.00	1,451,851.51
Over 3 years	2,770,267.21	8,379,322.55
3-4 years	691,360.66	8,199,590.38
4-5 years	1,930,398.55	39,000.00
Over 5 years	148,508.00	140,732.17
Total	5,665,975,752.59	3,052,120,107.10

3) Other receivables by the method of recognition of allowance for doubtful accounts

In RMB

Item	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Incl.:										
Other receivables with allowance recognized collectively	5,665,975,752.59	100.00%	3,689,819.54	0.09%	5,662,285,933.05	3,052,120,107.10	100.00%	2,595,981.24	0.09%	3,049,524,125.86

ely										
Incl.:										
Total	5,665,97 5,752.59	100.00%	3,689,81 9.54	0.09%	5,662,28 5,933.05	3,052,12 0,107.10	100.00%	2,595,98 1.24	0.09%	3,049,52 4,125.86

Other receivables with allowance recognized collectively:

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Group of related parties within the scope of consolidation	5,647,610,932.99		
Aging group	18,364,819.60	3,689,819.54	
Incl.: Within 1 year	14,798,058.15	739,902.91	5.00%
1-2 years	546,494.24	54,649.42	10.00%
2-3 years	250,000.00	125,000.00	50.00%
Over 3 years	2,770,267.21	2,770,267.21	100.00%
Total	5,665,975,752.59	3,689,819.54	

Recognition of allowance for doubtful accounts in accordance with the general model of expected credit losses:

In RMB

Allowance for doubtful accounts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Balance on January 1, 2024	182,023.10	230,577.90	2,183,380.24	2,595,981.24
In the current period:				
- Transferred to stage 2	-6,382.75	6,382.75		
- Transferred to stage 3		-182,311.23	182,311.23	
Recognized	564,262.56		529,575.74	1,093,838.30
Balance on June 30, 2024	739,902.91	54,649.42	2,895,267.21	3,689,819.54

4) Allowance for doubtful accounts recognized, recovered or reversed in the current period

5) Other receivables actually written off in the current period

6) Top 5 debtors in terms of closing balance of other receivables

In RMB

Company name	Nature of account	Closing balance	Age	% of total closing balance of other receivables	Closing balance of allowance for doubtful accounts
Mutto Optronics	Current accounts	1,125,143,324.11	Within 1 year	21.00%	
Mutto Optronics	Current	33,047,515.78	1-2 years	0.62%	

	accounts				
Yancheng Dongshan	Current accounts	359,676,253.19	Within 1 year	6.71%	
Yancheng Dongshan	Current accounts	520,664,694.87	1-2 years	9.72%	
Hong Kong Dongshan Holding Limited	Current accounts	180,782,948.50	Within 1 year	3.37%	
Hong Kong Dongshan Holding Limited	Current accounts	344,990,119.22	1-2 years	6.44%	
Hong Kong Dongshan Holding Limited	Current accounts	121,345,000.00	2-3years	2.27%	
MFLEX Yancheng	Current accounts	565,716,111.78	1-2 years	10.56%	
Dongguan Dongshan Precision Manufacturing Co., Ltd.	Current accounts	484,524,251.89	Within 1 year	9.04%	
Total		3,735,890,219.34		69.73%	

3. Long-term equity investments

In RMB

Item	Closing balance			Opening balance		
	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Investments in subsidiaries	9,551,215,019.51	133,690,000.00	9,417,525,019.51	9,515,272,968.95	133,690,000.00	9,381,582,968.95
Investments in associates and joint ventures	99,300,142.92	17,507,056.47	81,793,086.45	102,227,354.08	17,507,056.47	84,720,297.61
Total	9,650,515,162.43	151,197,056.47	9,499,318,105.96	9,617,500,323.03	151,197,056.47	9,466,303,266.56

(1) Investments in subsidiaries

In RMB

Investee	Opening balance (carrying value)	Opening balance of allowance for impairment loss	Changes in the current period				Closing balance (carrying value)	Closing balance of allowance for impairment loss
			Additional investment	Reduced investment	Allowance for impairment loss	Others		
Dongguan Dongshan Precision Manufacturing Co., Ltd.	342,000,000.00						342,000,000.00	
Hainan Chengjia Technology Consulting Co., Ltd.							0.00	
MFLEX Shanghai Co., Ltd.	2,023,777.30						2,023,777.30	

Shenzhen Qindao Dongchuang Investment Partnership (L.P.)	100,000,00 0.00						100,000,00 0.00	
RF Top Electronic	372,863,93 9.84					16,115.30	372,880,05 5.14	
Suzhou Chengjia Precision Manufacturing Co., Ltd.	80,104,811. 22					4,557.02	80,109,368. 24	
Suzhou Dongbo Precision Manufacturing Co., Ltd.	5,100,000.0 0						5,100,000.0 0	
Suzhou Dongdai Electronic Tech Co Ltd.	1,530,000.0 0						1,530,000.0 0	
Suzhou Dongjiyuan Metal Technology Co., Ltd.	52,600,000. 00						52,600,000. 00	
Suzhou Dongke Real Estate Co., Ltd.	152,389,09 6.00						152,389,09 6.00	
Suzhou Dongkui Lighting Co., Ltd.	12,100,000. 00						12,100,000. 00	
Suzhou Dongyan Electronic Technology Co., Ltd.	1,530,000.0 0						1,530,000.0 0	
Suzhou Jebson Intelligent Technology Co., Ltd.	255,000.00						255,000.00	
Yongchuang Tech	451,576,72 6.89					5,983.74	451,582,71 0.63	
Suzhou Yuanshi Electronic Technology Co., Ltd.							0.00	
Hong Kong Dongshan	3,744,565,1 50.00	133,690,00 0.00					3,744,565,1 50.00	133,690,00 0.00
Hong Kong Dongshan Holding Limited	452,677,88 0.00						452,677,88 0.00	
Yancheng Dongshan	1,093,572,9 60.50					46,650.42	1,093,619,6 10.92	
Yancheng	3,064,464.4					2,802.80	3,067,267.2	

Dongshan Business Management Co., Ltd.	0						0	
Yancheng Dongshan Communication Technology Co., Ltd.	280,383,77 0.29					17,633.48	280,401,40 3.77	
Suzhou JDI	1,382,684,0 03.83						1,382,684,0 03.83	
Suzhou Dongshan Industrial Investment Co., Ltd.	20,010,000. 00						20,010,000. 00	
Shanghai Dongxin New Energy Technology Co., Ltd.	80,000,000. 00						80,000,000. 00	
Yancheng Dongchuang Precision Manufacturing Co., Ltd.	270,000,00 0.00						270,000,00 0.00	
Suzhou Dongyue New Energy Technology Co., Ltd.	465,000,00 0.00		35,000,000. 00				500,000,00 0.00	
Multek China	68,352.66					2,971.86	71,324.52	
Mutto Optronics	867,088.50					36,148.98	903,237.48	
MFLEX Suzhou	6,894,726.6 4					298,532.96	7,193,259.6 0	
Yancheng Mutto Optronics Technology Co., Ltd.	45,568.40					1,981.24	47,549.64	
MFLEX Yancheng	4,298,839.8 8					186,134.44	4,484,974.3 2	
Multek Industries	2,355,919.4 4					102,431.28	2,458,350.7 2	
Multek Zhuhai	287,084.72					12,481.96	299,566.68	
Dowell Smart Suzhou Co., Ltd.	12,639.46					1,576.80	14,216.26	
Multek Zhuhai Enterprise Management Co., LTD	721,168.98					206,048.28	927,217.26	
Total	9,381,582,9 68.95	133,690,00 0.00	35,000,000. 00			942,050.56	9,417,525,0 19.51	133,690,00 0.00

2) Investments in associates and joint ventures

In RMB

Investee	Opening balance (carrying value)	Opening balance of allowance for impairment loss	Changes in the current period								Closing balance (carrying value)	Closing balance of allowance for impairment loss
			Additional investment	Reduced investment	Investment income or loss under equity method	Adjustment to other comprehensive income	Other changes in equity	Declared cash dividends or profit distribution	Allowance for impairment loss	Others		
I. Joint ventures												
II. Associates												
Suzhou Toprun Electric Equipment Co., Ltd.	11,641,777.55				19,928.38							11,661,705.93
Shenzhen Nanfang Blog Technology Development Co., Ltd.		17,507,056.47										17,507,056.47
Shanghai Fu Shan Precision Manufacturing Co., Ltd.												
Suzhou LEGATE Intelligent Equipment Co., Ltd.	12,352,316.96				-709,687.28							11,642,629.68
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	3,797,258.35				-447,415.62							3,349,842.73
Jiangsu Nangao Intelligent Equipment Innovation Center Co., Ltd.	4,259,369.62				-848,629.79							3,410,739.83
Jiaozuo Songyang Optoelectric Technology Co., Ltd.	26,753,781.07				-232,322.81							26,521,458.26
Suzhou	25,915				-							25,206

Yongxin Jingshang Venture Capital Partnership (L.P.)	,794.0 6				709,08 4.04						,710.0 2	
Subtotal	84,720 ,297.6 1	17,507 ,056.4 7			- 2,927, 211.16						81,793 ,086.4 5	17,507 ,056.4 7
Total	84,720 ,297.6 1	17,507 ,056.4 7			- 2,927, 211.16						81,793 ,086.4 5	17,507 ,056.4 7

4. Operating revenue and operating costs

In RMB

Item	Amount for the current period		Amount for the previous period	
	Income	Cost	Income	Cost
Primary business	2,063,759,581.25	1,991,893,561.96	1,674,220,405.88	1,691,465,686.19
Other business	82,843,913.95	25,663,449.45	80,118,185.29	18,217,479.00
Total	2,146,603,495.20	2,017,557,011.41	1,754,338,591.17	1,709,683,165.19

5. Investment income

In RMB

Item	Amount for the current period	Amount for the previous period
Income from long-term equity investments under cost method		436,776.92
Income from long-term equity investments under the equity method	-2,927,211.16	-633,126.48
Investment income from the disposal of financial assets held for trading	-2,651,138.83	
Total	-5,578,349.99	-196,349.56

XX. Supplementary Information

1. Statement of non-recurring gain or loss for the current period

Applicable N/A

In RMB

Item	Amount	Remark
Gain or loss from disposal of non-current assets	-36,219,263.01	
Government grants recognized in profit or loss (excluding the government grants that are closely related to the business of the Company, conform to the applicable policies of the country, are provided in accordance with the established standards, and continuously affect the Company's profit or loss)	145,779,443.11	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities, and gain or loss on disposal of financial assets and financial liabilities, except for effective hedges held in the ordinary course of	-59,013,703.39	

business		
Other non-operating revenues and expenses	3,644,170.97	
Less: Effect on income tax	9,842,216.40	
Effect on minority interests (exclusive of tax)	-232,008.40	
Total	44,580,439.68	--

Other items of gain or loss within the meaning of non-recurring gain or loss:

Applicable N/A

We do not have any other items of gain or loss within the meaning of non-recurring gain or loss.

Classification of any item of non-recurring gain or loss defined by the Explanatory Announcement No. 1 on Information Disclosure for Companies Publicly Offering Securities - Non-recurring gain or Loss as recurring profit or loss:

Applicable N/A

2. Return on equity and earnings per share

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	3.09%	0.33	0.33
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gain or loss	2.84%	0.30	0.30

3. Differences in accounting data under the CASBEs and overseas accounting standards

(1) Differences in net profit and net assets disclosed in the financial report prepared under the CASBEs and the IFRS

Applicable N/A

(2) Differences in net profit and net assets disclosed in the financial report prepared under the CASBEs and overseas accounting standards

Applicable N/A

Suzhou Dongshan Precision Manufacturing Co., Ltd.

Legal Representative: YUAN Yonggang

August 20, 2024