

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

2024-048

August 2024

Section I Important Notice, Table of Contents and Definitions

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

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

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

1. Risk in market competition

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

2. Technological risk

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

3. Management risk

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

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

4. M&A risk

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

5. International political and economic environment risk

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

The Company's profit distribution plan approved at the meeting of the Board of Directors is as follows: To distribute a cash dividend of RMB2.6 (tax-inclusive) per 10 shares and 0 bonus shares (tax-inclusive) to all shareholders, based on the total share capital of 540,796,782 shares after deducting the shares repurchased in the repurchase account as at August 21, 2024, with no capitalization from the public reserve.

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List of Reference Documents

- I. Financial statements bearing the signatures and seals of the person in charge of the Company, the person in charge of accounting and the Accounting Officer.
- II. Originals of all documents and manuscripts of all announcements publicly disclosed by the Company on the website designated by the China Securities Regulatory Commission (CSRC) during the Reporting Period.
- III. Other reference documents.

Place where the aforesaid reference documents can be obtained: The Securities Investment Department of the Company.

Definitions

Item	Refers to	Definition
The Company, Company, and Yangjie Technology	Refers to	Yangzhou Yangjie Electronic Technology Co., Ltd.
Semiconductor	Refers to	A substance with a conductivity that is intermediate between those of a conductor and an insulator, such as silicon and germanium
MOSFET and MOS	Refers to	Metal-Oxide-Semiconductor-Field-Effect Transistor. It is a field-effect transistor that can be extensively used in analog and digital circuits
IGBT	Refers to	Insulated Gate Bipolar Transistor. It is a composite fully controlled voltage-driven power semiconductor component that consists of BJT (bipolar junction transistor) and MOS (insulated gate field-effect tube)
SiC	Refers to	Silicon carbide. It is a silicon carbide compound, which is the main material of the third generation of semiconductor
GaN	Refers to	Gallium nitride. It is a gallium nitride compound, which is a kind of direct bandgap semiconductor
Wafer and chip	Refers to	A functional semiconductor component that is made by multiple processes on a semiconductor sheet (monocrystalline silicon) such as diffusion, lithography, etching, cleaning, passivation, metallization, etc.
Integrated circuit	Refers to	A semiconductor component that performs a circuit or system function by integrating a certain number of transistors, diodes, resistors, capacitors and inductors
Encapsulation	Refers to	A series of processes after the manufacturing of a wafer, that is, segmenting a wafer into a single chip, the leads are welded and placed and connected to a capsule
Power electronic device	Refers to	It is also known as a power semiconductor device, which is mainly used for power conversion and control circuits for power equipment
Diode	Refers to	A semiconductor component with positive forward pass and reverse cutoff features
Rectifier bridge	Refers to	A rectifier component that consists of two or four diodes
Power module	Refers to	It is embedded by power electronic devices according to a certain combination of functions
IDM	Refers to	Integrated Design and Manufacture. It refers to a semiconductor-integrated design and manufacturing company that handles the design, manufacturing, encapsulation tests, and sales of its brand
Single-crystal silicon wafer	Refers to	It is a single crystal of silicon, which is a good semi-conductive material and is used for manufacturing semiconductor components, and solar cell
BJT	Refers to	Bipolar Junction Transistor. It is a component that combines two PN junctions through some processes
FRED	Refers to	Fast Recovery Diode. It is a semiconductor diode featuring a good switching characteristic and short reverse recovery time, which is mainly used for electronic circuits such as switching power supply, PWM (pulse width modulator), and frequency converters to serve as high-frequency rectifier diode, continuation diode or damping diode
ESD	Refers to	Electro-Static discharge Electrostatic protection is an important aspect of the quality control of electronic products
TVS	Refers to	Transient suppression diode
IoT	Refers to	Internet of Things, also known as a sensor network. It is an extension of the Internet from people to things
MES	Refers to	A set of production information-based management system that faces the executive level of the workshops of the manufacturing enterprises
CRM	Refers to	The customer relationship management system is a system with the management of customer data at its core that utilizes information science technology to realize the automation of marketing, sales, and

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

Section II Company Profile and Principal Financial Indicators

I. Corporate Information

Stock abbreviation	Yangjie Technology	Stock code	300373
Previous stock abbreviation (if any)	/		
Listing stock exchange	Shenzhen Stock Exchange		
Chinese name	扬州扬杰电子科技股份有限公司		
Chinese abbreviation (if any)	扬杰科技		
English name (if any)	Yangzhou Yangjie Electronic Technology Co., Ltd.		
English abbreviation (if any)	Yangjie Technology		
Legal representative of the Company	Liang Qin		

II. Contacts and Contact Information

	Board Secretary	Securities Affairs Representative
Name	Fan Fengbin	Qin Nan
Contact address	68 Xinganquan Road, Hanjiang District, Yangzhou City, Jiangsu Province	68 Xinganquan Road, Hanjiang District, Yangzhou City, Jiangsu Province
Telephone	0514-80889866	0514-80889866
Fax	0514-87943666	0514-87943666
E-mail	zjb@21yangjie.com	zjb@21yangjie.com

III. Other Information

1. Contact

If the place of incorporation, office address and postal code, website, and e-mail of the Company changed in the Reporting Period

Applicable Not applicable

The place of incorporation, office address and postal code, website, and e-mail of the Company did not change in the Reporting Period. For details, please refer to the 2023 Annual Report.

2. Information disclosure and storage location

If information disclosure and storage location changed in the Reporting Period

Applicable Not applicable

The website of the stock exchange and the name and website of media where the Company disclosed its semi-annual reports and the place where the Company's semi-annual reports were stored did not change in the Reporting Period. For details, please refer to the 2023 Annual Report.

3. Changes in the registered information

If the registered information changed in the Reporting Period?

Applicable Not applicable

The registered information of the Company did not change in the Reporting Period. For details, please refer to the 2023 Annual Report.

IV. Principal Accounting Data and Financial Indicators

If the Company needs to retrospectively adjust or restate accounting data for previous years

Yes No

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

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

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

Applicable Not applicable

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

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

Applicable Not applicable

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

VI. Non-recurring Gains and Losses

Applicable Not applicable

Unit: RMB

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

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

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

Applicable Not applicable

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

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

Applicable Not applicable

The Company involves no circumstances where the non-recurring gains and losses listed in the *Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No. 1–Non-recurring Gains and Losses* are defined as recurring gains and losses.

Section III Management Discussion and Analysis

I. Principal Business of the Company in the Reporting Period

1. Development of the industry where the Company engages

As the core functional electric and electronic parts, power semiconductor components have a wide range of applications in supporting fields such as automobile electronics, clean energy, 5G communication, security, industrial control and consumer electronics. Technological development encourages higher requirements of humans for fields such as security, environmental protection and intelligence, so as to produce increased demand for various kinds of power semiconductor devices. As the new technology of the power semiconductor component industry has been developed and become mature, its application fields continue to expand, making power semiconductor devices indispensable and core electronic parts for the development of the national economy.

Although the power semiconductor component industry shows a relatively high degree of market-oriented development and a low industry concentration, there are only a few domestic enterprises that are equipped with comprehensive competitiveness that covers the full industry chain including silicon rods, silicon wafers, chips, device R&D, design, manufacturing, and packaging & testing, presenting an obviously echelon-like competition pattern of the power semiconductor market in China. As domestic enterprises gradually achieve breakthroughs in core technology of chip design and process for high-end products and fill domestic technological gaps in more and more fields, the quality, performance and technological criteria of domestically made power semiconductor device products continue to increase, while their brand recognition gradually increases. The reliance of the domestic power semiconductor application market on imported semiconductor devices continues to decrease, and the opportunity for developing domestically made alternative products and overseas alternative products has become increasingly apparent. To this end, top enterprises in the global market are in urgent need of cost reduction measures amid fierce market competition, and begin to replace part of their international brand suppliers with Chinese brand suppliers, providing great opportunities for Chinese enterprises to increase their shares in overseas markets. Meanwhile, Sino-US trade disputes and the Western blockade on technology will accelerate the independence of the domestic power semiconductor industry. Moreover, as geopolitical and other issues have imposed higher requirements on the security of the supply chain, which symbolizes an ideal opportunity for the development of domestic power semiconductor enterprises. National policy support for improving the import substitution rate have also made the industry more promising.

The power semiconductor component industry is a key industry encouraged and supported by China. In order to promote the development of electric and electronic technology and industry and build a resource-saving and environmentally-friendly society, China has formulated a series of policies and regulations to guide, encourage, support and promote the development of the domestic power semiconductor undertakings, as well as strengthen the domestic technological competitiveness. At present, the importance of the power semiconductor industry has been raised to a national strategic level. With the further implementation of "intelligent manufacturing", "new infrastructure construction" and other national policies, as well as the implementation of the dual carbon strategy (carbon peak and carbon neutrality), power semiconductors, as the core components for China to make electric systems independent and controllable and achieve energy conservation and environmental protection, are expected to achieve fast development with the support of policies. In August 2023, the Ministry of Industry and Information Technology and Ministry of Finance issued the *Work Plan for Stabilizing the Growth of the Electronic Information Manufacturing Industry (2023-2024)*, proposing to firmly implement the domestic demand expansion strategy, foster and advance new sectors for economic growth such as advanced computing, new displays and intelligent photovoltaics. It highlights personal computing, new display, VR/AR, 5G communication and intelligent connected vehicle sectors, and calls for tackling critical technical difficulties in electronic materials, electronic equipment and electronic measuring instruments and stepping up efforts in integrated and innovative development of solar photovoltaic, new energy storage products, key terminal applications, and key information technologies. In December 2023, the Ministry of Industry and Information Technology issued the *Guidelines for Establishment of the National Automotive Chip Standard System* to further promote the formulation and implementation of standards for automotive

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

2. The industry position of the Company

Based on the forward-looking market layout, continuous technological innovation, high-quality product design, scientific cost optimization, trustworthy quality management and the capability of fast delivery, the Company has become one of the several domestic enterprises above the designated size that integrates the full industry-chain processes including the manufacturing of single-crystal silicon wafers, chip design and manufacturing, device design, packaging and testing, and terminal sales and services. Meanwhile, the Company adopts the mode of "IDM + Fabless" in high-end fields such as MOSFET, IGBTs and the third-generation semiconductors. The Company has occupied a leading position and a high share in a number of emerging market segments. Especially, it is leading in rectifier bridges and PV diodes globally. Based on the general performance of the Company (aspects such as sales, technological strength and the share of the semiconductor market have been considered), the Company has been recognized by China Semiconductor Industry Association as one of the top three enterprises among the Top 10 Semiconductor Power Device Enterprises in China for several consecutive years, and has been rated as one of the top 20 in multiple domestic and international lists of top semiconductor enterprises in China, one of the top 50 manufacturers of automotive chips, and one of white-listed automobile part suppliers by the Ministry of Industry and Information Technology. In the first half of the year, the Company was accredited by a number of well-known TIRE1 automatic electronics manufacturing systems, and its technologies and products won the recognition of mainstream clients.

3. Main business of the Company

The Company integrates R&D, production and sales and is committed to the industrial development of mid-to-high end fields, such as the design, manufacturing and package testing of power semiconductor silicon wafers, chips and devices. The Company's main products include three segments. Specifically, they are material segment (monocrystalline silicon rods, silicon wafers, and epitaxial wafers), wafer segment (5-inch, 6-inch, 8-inch and other types of power & electronics chips), and packaging device segment (MOSFET, IGBT, SiC series products, rectifier parts, protection devices, small signal and other product series). Its products are widely used in automotive electronics, clean energy, 5G communications, security, industrial, consumer electronics and many other fields, providing customers with one-stop product, technology and service solutions. During the Reporting Period, the Company stepped up efforts in the marketing of Mosfet, IGBT and SiC products

in industrial, PV energy storage, new energy vehicle and AI sectors, seeing a year-on-year increase in gross order size and shipment volume, and a year-on-year growth of 9.16% of its revenue in the first half of the year.

As its business scale expands continuously, the Company will gradually turn into a group and become international. To date, the Company has established a global network of localized R&D, manufacturing, and sales facilities in multiple countries/regions, including 6 R&D centers and 15 wafer and packaging factories. These facilities integrate the world's best practices with localized product development, tailored to the specific needs of local customers. During the Reporting Period, the Company sped up the construction of its production base in Vietnam and its automotive-grade wafer and packaging plant in Yangzhou, and continued to focus on in-depth development in the power semiconductor sector and vigorously promote project implementation, innovative transformation, overseas expansion and localized introduction.

The Company implements "dual-brand" + "dual circulations" and brand product differentiation business model, with the "YJ" brand mainly focusing on the domestic and Asia-Pacific markets while "MCC" focusing on European and American markets. It has achieved the global market channel coverage of the two brands, ensured punctual and high-quality delivery at agreed quantities based on its global supply chain capacity, continuously expanded the coverage of its domestic and overseas sales and technical networks, provided direct professional and technical support services for terminal customers, and continued to improve its international service level. With its high-quality market services, perfect marketing networks and high-performance product quality, the Company has established a sound brand image in domestic and international markets.

4. Business model of the Company

The Company adopts the parallel business model of integrated device manufacture (IDM) and Fabless, and integrates the vertical industrial chain of semiconductor single-crystal silicon wafer manufacturing, power semiconductor chip design and manufacturing, device design, packaging and testing, and terminal sales and service. Its current business model is specified as follows:

(1) Supply chain model

In response to market changes, the Company strengthens its cooperative management and performance assessment of suppliers, and continuously optimizes management approaches and enhances supply efficiency through digital management empowerment, better meeting the demands of customers and production supply.

The Company has established a supplier cooperation and win-win mechanism that emphasizes open partnership. Through regular and close interactions with suppliers, it achieves information sharing, risk sharing, and mutual benefits. It also implements a diversified procurement strategy to reduce costs, increase flexibility, and enhance competitiveness, including adopting an elastic procurement strategy to more rapidly respond to changing market demands to ensure the accuracy and effectiveness of procurement decisions, centralizing procurement management to integrate and aggregate while considering the differentiated characteristics of various business units, strengthening internal procurement controls to ensure better cost and timely technical services under the assurance of material quality, establishing a supplier performance assessment system and supplier database for real-time monitoring of supplier performance for quick identification and addressing of potential problems, and establishing a supplier risk assessment mechanism to comprehensively monitor the financial and market status of suppliers, reduce potential risks in supplier cooperation and enhance the stability of supply partnerships.

The Company enhances digital and information-based supply chain development, uses IBP and SRM software systems for real-time analysis and monitoring of procurement data, timely acknowledgment

of supply process abnormalities, prompt adjustment of procurement strategies and responses to market demand changes, and proactively realization of the objectives for building itself into an agile procurement organization. It has established an online platform for supplier quoting, bidding and tendering and developed a new material procurement mode that facilitates online sourcing and online inquiries at the system level. For repeat procurement or large-scale material procurement, the Company adopts tendering, bidding, negotiation and collective decision-making measures concurrently for transparent and effective management of procurement costs to ensure consensus and alignment of decision-making results and optimal total costs.

(2) Operation model

By establishing a zero-defect quality system and a lean production system, the Company has enhanced internal operation efficiency and deepened and optimized the eight procedures of operation management, realizing constant drops in the defective rate and the customer complaint rate and continuous improvement of the supply chain cost and internal operation efficiency. Facing the new manufacturing trends, new market demands and customer structure transformation, the Company has made efforts in "intelligent, digital and online transformation", and continued to promote the intelligent, digital and online transformation of production to empower its transformation and upgrading by digital means. By vigorously promoting the application of industrial IoT technology in manufacturing while further exploring the role of PLC and EAP in automated equipment production management, the Company has realized the automation of critical process equipment control, which improved the production quality as well as its production efficiency. On this basis, the Company has applied EAP, PLC and other data acquisition technologies to realize the automatic parameterization of key production processes, integrated management of key process parameters and other production materials, as well as the information-based display of production activities. With the combination of MES and data acquisition, the Company visualized key management performance indicators at all levels of production and operation, so as to help analyze and improve production and operation throughout the operation system, and to achieve the point-line-plane full coverage of production performance management; by setting up pilot intelligent production plants/workshops, the Company promoted the upgrading of its data application, completed data modeling for key parameters, and optimized key production and manufacturing parameters.

(3) Marketing model

The Company implements "dual-brand" + "dual circulations" and brand product differentiation business model. It mainly popularizes the products of the "MCC" brand against leading international brands such as Onsemi in the European and American markets. In China and the Asia-Pacific market, the Company mainly promotes the "YJ" brand, and establishes strategic partnerships with top customers in various industries by continuously expanding its direct selling channels (multiple domestic sales and technical service centers, and 12 overseas sales and technical service centers in the United States, South Korea, Japan, India, and Singapore). Meanwhile, it actively responds to the call of the state to "let domestic and foreign markets boost each other" and actively expands its international business. During the Reporting Period, the Company pushed forward the building of its plant in Vietnam and expansion of its overseas network, as well as the establishment of innovative platforms and carriers such as the overseas R&D center, boosting its industry position, brand value and global influence to continue to intensify.

5. Major operations of the Company during the Reporting Period

(1) R&D technology

a) The Company actively promoted the management and implementation of key R&D projects. It completed the development of the full series of 10A-200A Trench 1200V IGBT chips on 8-inch and

12-inch platforms based on Fabless mode and the development of 1200V/35A-200A, 950V/200A and 650V/50A-100A IGBT chips on G2 and G3 platforms for frequency converters, light storage and power supply, and rolled out the corresponding PIM and 6-unit power module 1200V/10A-200A and the half-bridge module 50A-900A. The Company focused on such application areas as AI, industrial control, photovoltaic inverters, and new energy vehicles. During the Reporting Period, the market share of the Company in the IGBT module market increased rapidly, progressively making the Company an important participant that integrates chip design and module encapsulation in the market. Meanwhile, the Company aimed at the clean energy market, utilized the Trench Field Stop type IGBT technology to significantly lower the component saturation voltage drop and switching loss by adopting high-density component structure design and advanced back processing technology. It has successfully launched the 1200V series, and 650V series of TO220, TO247, and TO247PLUS encapsulation products and took the performance of foreign mainstream manufacturers as a benchmark. During the Reporting Period, the Company delivered 1200V single tubes for Positive Temperature Coefficient (PTC) thermistors of vehicles in large quantities to its customers. With respect to the PV field, it developed and rolled out 1200V/160A, 650V/400A, 650V/450A and 950V/600A tri-level IGBT modules. In regard to new energy vehicle controllers, the Company tackled tough issues in low-inductance packaging, multichip flow equalization, copper interconnection, and silver sintering and developed the 750V/820A IGBT module and the 1200V/2m Ω module with three-phase bridges.

b) The Company continued to invest more in the industry of third-generation semiconductor chips and stepped up efforts to research and develop SiC and GaN power components to further meet the Company's demands for subsequent strategic development. During the Reporting Period, the Company further consolidated the R&D of third-generation semiconductors based on the "Yangjie-Southeast University Joint R&D Center of Broad Forbidden Band Semiconductors" under the cooperation program with the School of Integrated Circuits, Southeast University. It completed the whole series development of 2A-60A 650V/1200V/1700V SiC SBD products, giving rise to continuous increases of its share in the SiC SBD market during the Reporting Period. The Company also rolled out G1, G2 and GH series products of 650V/1200V/1700V 13m Ω -1000m Ω SiC MOS, of which the 1200V SiC MOS platform has the specific on-resistance (RSP) below 3.33m Ω .cm² and the figure of merit (FOM) below 3060m Ω .nC, meeting world-class standards. FJ, 62mm and Easy Pac SiC modules developed by the Company have been widely applied to AI server power supplies, new energy vehicles, PV facilities, charging piles, energy storage facilities and industrial power supplies.

In regard to on-board modules, the Company made the trial product of its self-developed vehicle-mounted module made of silicon carbide. At present, several tier-1 and terminal automobile enterprises have expressed their intentions of testing and cooperation. It is planned that the batch application of main drive modules made of silicon carbide will be completed by 2025. The third-generation semiconductor products are successively launched, laying a solid foundation for the Company to realize a one-stop supply of a full range of semiconductor power components.

c) In line with the Company's strategic direction in automotive electronics and based on the Fabless model for 8-inch and 12-inch G2 platforms, N40V-series products from 0.48mR to 7mR, mainly for automotive EPS, BCM, oil pumps, water pumps and other motor-driven parts, have been developed and passed the automotive-grade reliability test and the key customer test and entered the mass production stage. N60V/N100V/N150V/P100V chips have been developed for automotive DC-DC converters, wireless charging, vehicle lighting, and load switches, with many products already in mass production. In data center and security system applications, N30V and N100V SGT devices with less than 2mohm, specifically designed for hot-swappable solid-state drive storage, have been developed using special processes. The production line has been gradually extended for completeness.

Throughout the year, the Company has increased R&D investment in SGT MOSFETs and accelerated iterations across voltage platforms, improving the switching and conducting features of devices while reducing their specific on-resistance (R_{sp}) and gate charge (Q_g). The area specific on-resistance of the new generation N30V/N40V/N60V/N100V/N150 devices has been improved by more than 50% compared to the previous generation, and the performance of N40V reaches the world-class level. The area specific on-resistance of P100V has been improved by more than 50% compared to the previous generation, and its performance is ahead of the world-class level. For clean energy, portable energy storage, and high-end power supply applications, the latest generation of SGT technology has been used to develop the N60V series ranging from 1mohm to 9ohm, N100V series ranging from 1.2mohm to 9mohm and 150V series ranging from 5.6mohm to 13mohm. The Company has also applied its proprietary innovative technology to the production development of its 12-inch wafer plant, in order to further improve products' stability, performance, reliability and cost performance through more advanced manufacturing processes and technologies. N100V products have passed the reliability verification.

In the first half of 2024, the Company's SJ product platform achieved further technological breakthroughs, enhancing device structural density, further reducing characteristic on-resistance, increasing device power density, significantly enhancing device current capability in the same volume, and optimizing device switching characteristics to provide greater margin for system EMC design, comprehensively improving various parameters and characteristics of the products.

(2) Marketing

a) In terms of industries and customers, the Company further improved technological marketing mechanisms. In virtue of the situation of the high-speed development of the industry, the Company mainly focused on such industries as AI, new energy automotive electronics, clean energy, industrial control and network communication and established business relationships with TOP customers in the industries. During the Reporting Period, the sales performance of automotive electronics and clean energy industries grew significantly. The Company has been highlighting the improvement of customer satisfaction, making improvement plans and preparing improvement reports according to customer feedback and providing access to and actively responding to customer feedback, in order to enhance customer loyalty, consolidate the existing customer base and bring more opportunities for new cooperation. It has seen rises in customer satisfaction for three consecutive years.

b) In terms of key products, the Company established the capability of strategic product marketing and set up dedicated strategic product marketing managers to emphasize the promotion of MOSFET, IGBT, and SiC series products to sell and promote strategic products. It has formed a team cooperation mode to help sales personnel obtain opportunities for production recognition, accelerate the conversion rate of business opportunities, and increase the sales proportion of key products, and cultivated the technical sales capability for MOSFET, IGBT and SiC power device solutions to provide technical solutions for strategic customers.

c) With respect to channels, the Company continued to promote the international strategic layout and deepened the two-way connection between overseas and domestic markets. It established a subsidiary, Mico (Vietnam) Co., Ltd., in Vietnam during the Reporting Period to strengthen the domestic and overseas "dual circulations". Meanwhile, it constantly promoted domestic and overseas e-commerce business models, combined offline and online business, reinforced branding and enhanced brand influence to make plans for its global channel network and continuous expansion of overseas business.

(3) Operation and management

a) The Company practices the development concept of "quality first". During the Reporting Period,

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

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

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

6. Reasons for change in results during the Reporting Period

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

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

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

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

II. Core Competitiveness Analysis

1. R&D technology:

(1) Advanced R&D technology platform

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

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

(2) Complete talent system and management policies

The Company adheres to the talent strategy of external introduction and internal cultivation to maintain its corporate cultural inheritance while realizing rapid technical iteration. In terms of external introduction, it continues to bring in senior technical personnel at home and abroad, and has formed a high-quality talent team covering high-end chip R&D and design, advanced power semiconductors wafer manufacturing, and advanced packaging R&D and design. The Company focuses on introducing senior technical experts and doctors with more than 20 years of industry experience from around the world, including the leading talents in the provincial and ministerial "Innovation and Entrepreneurship Program", and professor-level senior engineers. With regard to internal cultivation, the Company has carried out campus talent recruitment for a number of 985 and 211 universities and colleges through the "Hidden Dragon Plan" to provide itself with a reserve of high-quality technical talents. Besides, it has systematically carried out the training and development of internal engineers through platforms and mechanisms such as the "engineer training course", tutorial system, and major research projects. The Company's technology R&D talent team grew rapidly, and the effectiveness of high-quality R&D talent continued to be improved during the Reporting Period.

During the Reporting Period, the Company set up the R&D Project Management Department to build an elite team of R&D from the perspectives of process, policy and incentive. It also introduced the IPD concept for reward point-based appraisal management of R&D talents, in order to improve R&D efficiency, highlight outstanding R&D talents and form a bottom-up talent management mechanism

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

(3) Continuously enriched R&D patents

Patents are the key to an enterprise's development. In recent years, the Company has continuously stepped up its investment in the R&D of patented technologies, enriched the patent reserve of core technologies, and laid a solid foundation for its advantageous position amid fierce market competition. During the Reporting Period, the Company recorded an R&D expense rate of 6.88%, up 0.58% year on year. Up to date, the Company has applied for 84 intelligent property rights (including 42 domestic patents for invention, 36 patents for utility models, 3 integrated circuit layout designs and 3 appearance designs), and has 63 approved ones (including 17 domestic patents for invention, 41 patents for utility models, 3 integrated circuit layout designs and 2 appearance designs).

2. Marketing

(1) Build international market capabilities with "dual brands" + "dual circulations"

The Company implements "dual-brand" + "dual circulations" and brand product differentiation business model. It mainly popularizes the "MCC" brand against leading international brands such as Onsemi in the European and American markets. The Company sets up sales and technical service centers in the US, actively develops local and surrounding markets, provides timely localized services for the terminal customers of international brands in Europe and the US, and continues to improve the market share and influence of the MCC brand in the international market. In China and the Asia-pacific market, the Company mainly promotes the "YJ" brand, and establishes strategic partnerships with top customers in various industries. Meanwhile, it actively responds to the call of the state to "let domestic and foreign markets boost each other". Particularly, it established a subsidiary in Vietnam, Mico (Vietnam) Co., Ltd. to further strengthen its overseas supply capacity and actively expand its international business.

(2) Continuously implement key account marketing

The Company deepens the key account marketing system for customer-centric operation and investment of high-quality resources in high-quality customers. Through the upgrading and optimization of CRM system, it utilizes the LTC process to scientifically and systematically manage and standardize the sales process to improve the success rate of business opportunity conversion. So far, the Company has reached strategic partnership with leading customers in various industries, and continued to expand cooperation with existing customers. Additionally, it has obtained the import substitution cooperation opportunities from a number of well-known terminal customers during the Reporting Period, actively promoted the business cooperation of various production lines, and further expanded its future market.

(3) Focus on new markets and build new capabilities

The Company keeps in step with the development opportunities in the new downstream markets and fields, and prioritizes market growth opportunities in AI, new energy vehicle and clean energy sectors. It focuses on expanding top customers in automotive electronics, photovoltaics, stored energy, wind energy and AI server power supply to leverage the core advantages of IDM and one-stop product solutions. During the Reporting Period, the Company recorded dramatic increases in the results and

shares of automotive electronics and clean energy industries. Besides, the Company rapidly reached cooperation with top customers in various fields at home and abroad. It continued to expand its cooperation with industry leaders and has obtained certification and orders from them.

3. Operation management:

In the face of market changes and the higher quality and cost requirements of new markets and new industries, the Company has put forward the management concept of excellent operation based on its corporate mission and long-term development strategies. It integrates the industrial chain from the perspective of industry, and builds lean manufacturing capacity under the IDM model based on the lean production and zero-defect quality management system to improve the core competitiveness of its quality and cost:

(1) The Company upgraded its internal quality control review system, used VDA6.3 to evaluate the operation process, and received the VDA6.3 A-level rating from multiple well-known automotive electronics brand customers. It deepened the quality system improvement activities of "strict control of input and output quality" and "digital management, intelligent production, professional personnel and stable personnel in key positions", established a quality control system in line with the Automotive Grade, and won the recognition of global mainstream customers.

(2) The Company promoted continuous cost management, and took various measures such as cost reduction through R&D innovation, lean improvement, value flow improvement, and informatization to greatly reduce failure cost, turn production quality stabler and customer delivery faster, and effectively make up for cost impact caused by the periodical reduction in production capacity. It also introduced integrated supply chain IBP for unobstructed exchange of demand, capacity, material supply and delivery information, balancing production while realizing prompt delivery, which has effectively improved the responding, collaborative and delivery efficiency of the supply chain.

III. Analysis of Principal Operations

Overview

Please refer to related content in "I. Principal Business of the Company in the Reporting Period".

Year-over-year changes in the principal financial data

Unit: RMB

	The Reporting Period	Same Period of the Previous Year	YoY Increase/decrease	Reason
Operating revenue	2,865,255,202.25	2,624,742,386.62	9.16%	No major changes
Operating cost	2,016,355,217.93	1,834,328,758.28	9.92%	No major changes
Selling expense	117,743,142.36	110,024,361.15	7.02%	No major changes
Administrative expense	138,703,456.07	126,197,439.71	9.91%	No major changes
Finance costs	-64,892,616.66	-109,230,591.37	40.59%	Mainly due to the fluctuation of foreign change rates and the decrease in exchange gains during the Reporting Period.
Income tax expense	77,249,370.26	69,084,485.48	11.82%	No major changes
R&D spending	197,269,591.86	165,337,184.42	19.31%	No major changes
Net cash generated from/used in operating activities	528,137,435.41	270,551,262.13	95.21%	Mainly due to the decrease in cash payment for purchase of goods and receipt of

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

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

Applicable Not applicable

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

Products or services accounting for more than 10%

Applicable Not applicable

Unit: RMB

	Operating Revenue	Operating Cost	Gross Profit Margin	Increase/decrease in Operating Revenue from the Same Period of the Previous Year	Increase/decrease in Operating Cost from the Same Period Last Year	Increase/decrease in Gross Profit Margin from the Same Period Last Year
By product or service						
Semiconductor components	2,469,661,080.96	1,745,277,422.06	29.33%	11.34%	12.65%	-0.82%
Semiconductor chips	237,627,579.87	173,764,476.78	26.88%	-8.64%	-14.41%	4.93%
Semiconductor silicon wafers	97,970,105.28	79,254,323.05	19.10%	7.74%	5.69%	1.56%
Total	2,805,258,766.11	1,998,296,221.89	28.77%	9.19%	9.36%	-0.11%

IV. Analysis of Non-principal Business

Applicable Not applicable

Unit: RMB

	Amount	Proportion to Total Profit	Reason(s)	Sustainable or not

Investment income	793,864.70	0.16%	Mainly income on long-term equity investments calculated by the equity method.	No
Gains or losses from changes in fair value	-12,751,241.12	-2.55%	Mainly due to the Company's indirect holding of the shares of Chengzhi Shareholding Co., Ltd. through holding partnership shares of Nantong Jinxin Haohua Investment Center (LP), indirect holding of the shares of Guobo Electronics Co., Ltd. through holding partnership shares of Ningbo Dongxin Guohong Enterprise Management Partnership (LP), direct holding of the shares of United Nova Technology Co., Ltd. and direct holding of the H-shares of BaTeLab Co., Ltd., the fair values of which were determined based on the number of shares held and closing prices.	No
Asset impairment	-2,318,149.93	-0.46%	Mainly due to the reserve fund for market diminution in value of inventory.	No
Non-operating income	6,046,142.11	1.21%	Mainly due to the receipt of insurance claims and quality compensation.	No
Non-operating expense	3,090,278.79	0.62%	Mainly due to the payment of quality compensation.	No
Income from asset disposal	2,103,120.75	0.42%	Mainly due to the gains on disposal of fixed assets.	No
Credit impairment losses	-7,353,933.54	-1.47%	Mainly due to the accrual of allowance for bad debts of accounts receivable and other receivables during the Reporting Period.	No
Other income	73,953,140.87	14.79%	Mainly due to the additional value-added tax credit policy and government grants to the Company during the Reporting Period.	No

V. Analysis of Assets and Liabilities

1. Significant changes in the composition of assets

Unit: RMB

	End of the Reporting Period		As at the End of the Previous Year		Increase/decrease in Percentage	Notes to Significant Changes
	Amount	Proportion to Total Assets	Amount	Proportion to Total Assets		
Monetary assets	3,838,890,200.44	28.94%	3,518,238,062.56	27.86%	1.08%	No significant changes.
Accounts receivable	1,675,082,234.32	12.63%	1,515,579,463.24	12.00%	0.63%	No significant changes.
Contract assets	689,861.40	0.01%	1,609,591.36	0.01%	0.00%	Mainly due to the decrease in

						the Company's quality guarantee deposits receivable at the end of the Reporting Period.
Inventories	1,120,458,983.61	8.45%	1,145,317,621.74	9.07%	-0.62%	No significant changes.
Investment property						No significant changes.
Long-term equity investments	62,408,373.42	0.47%	62,372,039.75	0.49%	-0.02%	No significant changes.
Fixed assets	3,329,179,726.74	25.10%	3,480,422,021.32	27.56%	-2.46%	No significant changes.
Construction in progress	1,268,412,974.50	9.56%	720,260,135.67	5.70%	3.86%	Mainly due to the increase in Jiechuwei's investment in the 8-inch wafer project.
Right-of-use assets	105,441,904.78	0.79%	117,816,524.02	0.93%	-0.14%	No significant changes.
Short-term borrowings	1,078,994,805.81	8.13%	553,968,908.45	4.39%	3.74%	Mainly due to the Company's increase in banking facilities with a term shorter than one year.
Contract liabilities	29,286,072.55	0.22%	35,088,567.84	0.28%	-0.06%	No significant changes.
Long-term borrowings	490,717,278.15	3.70%	395,095,778.15	3.13%	0.57%	No significant changes.
Lease liabilities	85,059,992.41	0.64%	101,217,303.95	0.80%	-0.16%	No significant changes.
Notes receivable	17,834,919.97	0.13%	12,863,153.42	0.10%	0.03%	Mainly due to the increase in commercial acceptance notes held by the Company during the Reporting Period.
Advances paid	31,045,227.56	0.23%	59,693,121.73	0.47%	-0.24%	Mainly due to the decrease in the Company's advances paid for purchasing materials from suppliers in the Reporting Year.
Other receivables	17,578,808.36	0.13%	12,420,738.13	0.10%	0.03%	Mainly due to the increase in the Company's prepayments for taxes of agent

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

2. Principle overseas assets

Applicable Not applicable

3. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

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

Other changes

None

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

Yes No

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

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

VI. Analysis of Investment

1. Overall status

Applicable Not applicable

Investment Amount in the Reporting Period (RMB)	Investment Amount in the Same Period of the Previous Year (RMB)	变化
60,000,000.00	332,390,331.94	-81.95%

2. Material equity investments acquired during the Reporting Period

Applicable Not applicable

3. Material non-equity investments in process during the Reporting Period

Applicable Not applicable

4. Financial assets measured at fair value

Applicable Not applicable

Unit: RMB

Asset Category	Initial Investment Cost	Gains and Losses from Changes in Fair Value in the Reporting Period	Accumulative Fair Value Changes Included in Equity	Purchase Amount during the Reporting Period	Selling Amount during the Reporting Period	Accumulated Income on Investment	Other Changes	Closing Balance	Source of Fund
Others	691,360,333.59	-	0.00	60,000,000.00	20,000,000.00	47,224.90	-	718,781,166.85	Self-owned
Total	691,360,333.59	-	0.00	60,000,000.00	20,000,000.00	47,224.90	-	718,781,166.85	--

5. Use of raised funds

Applicable Not applicable

(1) Overall use of raised funds

Applicable Not applicable

Unit: RMB10,000

Total raised funds	145,762.46
Total raised funds invested during the Reporting Period	43,728.74
Total raised funds invested accumulatively	43,728.74
Explanation of the overall use of the raised funds	
From January to June 2024, the Company actually used USD63,634,300 of the raised funds, and the net amount of the bank deposit interest received after deducting bank handling fees was USD5,827,200. As of June 30, 2024, the balance of raised funds is USD158,979,000.	

(2) Committed projects with raised funds

Applicable Not applicable

Unit: RMB10,000

Committed Investment	Whether Projects	Net Amount of Funds	Total Committed	Adjusted Total	Investment Amount	Accumulative Investment	Investment Progress as	Date when the	Benefits Recorded	Accumulative Benefits	Whether the	Whether There are
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Projects and Investment of Excessive Raised Funds	have been Altered (Including Partial Alternation)	Raised	Investment with Raised Funds	Investment Amount (1)	during the Reporting Period	Amount by the End of the Reporting Period (2)	at the End of the Reporting Period (3) = (2)/(1)	Projects are Ready for Intended Use	during the Reporting Period	Recorded as at the End of Reporting Period	Estimated Benefits are Reached	Material Changes in Project Feasibility
Committed investment projects												
Development of the power component business, including the construction of packaging for small signal products, silicon-based and silicon carbide SBD, and MOSFET products	No	87,457.49	87,457.49	0	0	0	0.00%	April 18, 2026	0	0	N/A	No
Establishment of overseas R&D centers and global sales and after-sales service stations.	No	14,576.23	14,576.23	0	0	0	0.00%	April 18, 2026	0	0	N/A	No
Replenishment of operating funds and other general corporate purposes	No	43,728.74	43,728.74	0	43,728.74	43,728.74	100.00%		0	0	N/A	No
Subtotal of committed investment projects	--	145,762.46	145,762.46	0	43,728.74	43,728.74	--	--	0	0	--	--
Investment of excessive raised funds												
N/A	No											
Total	--	145,762.46	145,762.46	0	43,728.74	43,728.74	--	--	0	0	--	--
Cases and reasons for failing to reach the planned progress or predicted return by specific projects (including the reasons for choosing "not applicable" for "whether the predicted return has been achieved")	None during the Reporting Period											
Explanations of the material changes in the project feasibility	None during the Reporting Period											
Amount, use, and use progress of excessive raised funds	N/A											
Alteration of sites for the implementation of the raised fund investment	N/A											

projects	
Adjustment to the method for implementing the raised fund investment projects	N/A
Early investment and replacement of the raised fund investment projects	N/A
Temporary replenishment of liquid capital with the idle raised funds	N/A
Amount of the closing balance of the raised funds during the project implementation as well as reasons	N/A
Use and ownership change of unused raised funds	The Company temporarily placed USD124.5 million of the raised funds in a time deposit account under the account designated for raised funds, and the remaining balance of USD34,479,000 of the raised funds in the account designated for raised funds.
Problems in the use and disclosure of raised funds, or other cases	In accordance with the requirements of local regulatory authorities, the funds raised by the Company must first be transferred domestically before undergoing an approval process for outbound remittance. This procedure ensures that the project's progress is not affected. The Company's fundraising projects are focused on developing power components for the business, including the construction of projects for packaging small signal products, silicon-based and silicon carbide SBD, MOSFETs, and other products. Additionally, the projects involve establishing overseas research and development centers and constructing a global network for sales and after-sales service. During the Reporting Period, the Company invested USD14,701,200 and USD693,300 of its own funds in these projects respectively. No irregularities have been noted in the investment projects funded by the Company's raised funds.

(3) Altered projects where raised funds are invested

Applicable Not applicable

There were no altered projects of raised funds by the Company during the Reporting Period.

6. Entrusted wealth management, investment in derivatives, and entrusted loans

(1) Entrusted financial management

Applicable Not applicable

Overview of trust financial management during the Reporting Period

Unit: RMB10,000

Specific Type	Sources of Funds for Trust Financial Management	Amount of Trust Financial Management Incurred	Unexpired Balance	Overdue Outstanding Amount	Impaired Amount Overdue for Collection in Financial Management
Brokerage WM product	Equity fund	1,000	0	0	0
Total		1,000	0	0	0

Details of high-risk trust financial management products with significant single amount or low security and low liquidity

Applicable Not applicable

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

Applicable Not applicable

(2) Investment in derivatives

Applicable Not applicable

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

(3) Entrusted loans

Applicable Not applicable

The Company had no entrusted loans during the Reporting Period.

VII. Sale of Material Assets and Equities

1. Sale of material assets

Applicable Not applicable

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

2. Sale of material equities

Applicable Not applicable

VIII. Analysis of Major Subsidiaries and Investees

Applicable Not applicable

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

IX. Structured Entities Controlled by the Company

Applicable Not applicable

X. Risks Facing the Company and Countermeasures

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

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

Applicable Not applicable

Reception Time	Reception Place	Reception Method	Type of Received Visitor	Received Visitors	Main topics Discussed and Information Provided	Index to Main Inquiry Information
April 22, 2024	Conference room of the Company	Telephone communication	Institutions	240 institutional investors including Dongxing Securities and HSBC Jintrust	Exchange of the Company's results in 2023	For details, please refer to the <i>Information of Yangjie Technology on Investor Relations Management</i>

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

XII. Implementation of the Action Plan for "Dual Enhancement of Quality and Profitability"

Has the Company disclosed its Action Plan for "Dual Enhancement of Quality and Profitability"?

Yes No

The Company actively responds to calls for action, having developed its Action Plan for "Dual Enhancement of Quality and Profitability". The specific measures are as follows: The specific measures are as follows:

i. Focus on core business and deepen expertise in power semiconductors:

Since its inception, the Company has been upholding the core values of "Customer First, Passion & Innovation, Diligence/Simplicity & Self-Reflection, Sincerity & Gratitude", and center on power semiconductors. It establishes advantages in R&D, quality, and cost and constantly pushes forward the four development strategies of "brand enhancement, industrial innovation, localization, and internationalization". Currently, it has become one of the few domestic enterprises that integrate the entire vertical industry chain, including manufacturing of single-crystal silicon wafers, chip design and manufacturing, device design and packaging testing, and end sales and services. The Company's products have achieved leading positions and high market shares in multiple emerging niche markets. Based on the general performance of the Company (aspects such as sales, technological strength and the share of the semiconductor market have been considered), the Company has been recognized by China Semiconductor Industry Association as one of the top three enterprises among the Top 10 Semiconductor Power Device Enterprises in China for several consecutive years, and has been rated as one of the top 20 in multiple domestic and international lists of top semiconductor enterprises in China. In the future, the Company will continue to uphold its mission to "Letting the World Trust China Power Semiconductor" and steadfastly cultivate the field of power semiconductors: Guided by customer and market demands, the Company will increase its R&D investments in MOSFETs, IGBTs, SiCs, and other products, with a focus on new sectors like new energy vehicles and PV energy storage. It will continue to deepen its "dual brands + dual circulations" business model and product differentiation, seizing global development opportunities; it will also accelerate the pursuit of high-level technological independence to promote high-quality development of the Company. For details of the specific measures taken during the Reporting Period, please refer to the relevant content in Section III Management Discussion and Analysis of this Report.

ii. Innovation-driven development, accelerating the domestication process of mid-to-high-end power semiconductors:

The Company remains committed to innovation-driven development, placing high importance on leading product R&D and manufacturing processes. Keeping a close eye on market demands and core technological trends, the Company will increase its R&D and innovation efforts. While developing high-end MOSFETs and IGBTs, the Company will establish R&D bases overseas and accelerate the advancement of third-generation semiconductors like SiC and GaN to continually strengthen its core competitiveness. Additionally, it will enhance the R&D team, attracting top domestic and international semiconductor technology, R&d talents, improving the R&D system, and enabling these talents to play a significant role in breaking through key and core technologies, accelerating the shift of core industries towards high-end development and speeding up import substitution. During the Reporting Period, the Company applied for 84 intellectual property rights (including 42 domestic patents for invention, 36 patents for utility models, 3 integrated circuit layout designs and 3 appearance designs), and had 63 approved (including 17 domestic patents for invention, 41 patents for utility models, 3 integrated circuit layout designs and 2 appearance designs).

iii. Continuously improve corporate governance and strengthen standardized operations

The Company will continue to solidify its corporate governance foundation, comprehensively develop internal control systems, and ensure that "the three boards and one layer" fulfill their responsibilities. It will standardize the rights and obligations of the Company and shareholders, preventing the abuse of shareholder rights and the management's advantageous position from harming the interests of small and medium investors. Furthermore, the Company will strengthen investor relations management, broaden institutional investors' participation in corporate governance, and encourage small and medium investors to actively participate in shareholders' meetings and performance briefings. This ensures that investors fully understand the Company's operational model, business condition, and development strategies, facilitating their participation in major decision-making and enhancing their influence and satisfaction. During the Reporting Period, the Company conveyed its values, fed back on investors' opinions and made proactive communications and interactions with investors by means of conferences and teleconferences on performance results, making replies on Interaction Easy and listening to the calls from investors.

iv. Adhering to core company values and enhancing the quality of information disclosure:

The Company will maintain its commitment to core company values as the principle of its disclosure practices. It will transition from passive disclosures that merely satisfy regulatory requirements to proactive disclosures that meet investors' needs for substantive and effective information. Disclosure will emphasize importance and specificity, proactively providing information useful for investors' decision-making, strengthening key information disclosure about industry competition, company operations, and risk factors, and reducing redundant disclosures. It will ensure that information disclosure is truthful, accurate, complete, timely, fair, concise, clear, and easy to understand. The Company holds regular performance briefings open to all investors annually to ensure that communication activities are regular and of high quality. Additionally, it will prevent speculative practices such as concept hype and trending, thereby safeguarding against stock speculation risks. During the Reporting Period, the Company made detailed disclosures of its periodic reports, restricted share incentive plans, repurchase business and other material events to provide investors with prompt and accurate information on the progress of its important business.

v. Continue dividends and shareholder returns:

Committed to being investor-oriented and maintaining integrity and compliance, the Company, while solidifying its own developmental foundation, firmly establishes a consciousness of rewarding shareholders, ensuring that investors feel rewarded and appreciated. The Company has clearly defined a profit distribution policy in its *Articles of Association*, consistently distributing cash dividends annually, no less than 20% of the distributable profits achieved that year. Moving forward, the Company will balance performance growth with shareholder returns, implementing a "long-term, stable, and sustainable" shareholder value return mechanism. While considering the Company's long-term development, this approach lets shareholders genuinely share in the Company's development achievements. The Company values the use of share repurchases and other methods to stabilize the market and boost confidence. Since its listing, the Company has initiated two share repurchases, with another currently in progress. In the next step, we will firmly establish a consciousness of rewarding shareholders while adhering to investor orientation and practically implement the Action Plan for "Dual Enhancement of Quality and Profitability" and investors' satisfaction, so as to make active contributions to market and confident stabilization. During the Reporting Period, the Company implemented the 2023 Annual Equity Distribution Plan and distributed a cash dividend of RMB6.00 (tax-inclusive) per 10 shares to all shareholders based on the existing total share capital of 540,463,982.00 shares after deducting 2,551,005.00 shares repurchased. The 2024 Semi-annual Profit Distribution Plan was reviewed and approved at the 10th Meeting of the Fifth Board of Directors of the Company, and the Company distributed a cash dividend of RMB2.60 (tax-inclusive) per 10 shares to all shareholders, based on the adjusted total share capital of 540,796,782 shares after

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

Section IV Corporate Governance

I. Information on the Annual Shareholders' Meeting and the Extraordinary Shareholders' Meeting during the Reporting Period

1. Information on the shareholders' meetings during the Reporting Period

Meeting	Type of Meeting(s)	Participation Ratio of Investors	Date of Holding	Date of Disclosure	Resolutions
2024 First Extraordinary Shareholders' Meeting	Extraordinary shareholders' meeting	51.76%	April 18, 2024	April 18, 2024	One proposal, i.e., the <i>Proposal on the Election of Extra Non-independent Directors of the Fifth Board of Directors</i> , was deliberated and approved.
2023 Annual General Meeting	Annual Shareholders' Meeting	49.33%	May 17, 2024	May 17, 2024	13 proposals, including the <i>2023 Work Report of the Board of Directors of the Company</i> , the <i>2023 Work Report of the Board of Supervisors of the Company</i> , the <i>2023 Financial Final Report of the Company</i> , the <i>2023 Profit Distribution Plan of the Company</i> , the <i>Full Text and Summary of the 2023 Annual General Meeting Report of the Company</i> , the <i>Proposal on Directors and Senior Management's Remuneration Plan for 2024</i> , the <i>Proposal for the Renewal of the Engagement of the Accounting Firm</i> , the <i>Proposal for Changing the Registered Capital and Amending the Articles of Association</i> , the <i>Proposal on Amending the Rules of Procedure for Shareholders' Meetings</i> , the <i>Proposal on Amending the Rules of Procedure of the Board of Directors</i> , the <i>Proposals on Amending the Rules</i>

					<i>of Procedure of the Board of Supervisors, the Proposal on Amending the Working System for Independent Directors and the Proposal on Formulating the Implementation Rules for Special Meetings of Independent Directors, were deliberated and approved.</i>
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2. Request of preferred shareholders whose voting rights have been restored to hold an extraordinary shareholders' meeting

Applicable Not applicable

II. Changes in the Company's Directors, Supervisors and Senior Management

Applicable Not applicable

Name	Position Held	Type	Date	Reason
Liu Congning	Vice Chairman	Election	March 28, 2024	Elected by the Board of Directors as Vice Chairman
Xu Xiaobing	Director	Election	April 18, 2024	Elected by the Shareholders' Meeting as Director
Huang Zhiguo	Director	Election	April 18, 2024	Elected by the Shareholders' Meeting as Director

III. Profit Distribution and Conversion of Capital Reserve into Share Capital during the Reporting Period

Applicable Not applicable

Number of bonus shares to be distributed for every 10 shares (share)	0
Amount to be distributed for every 10 shares (RMB) (tax-inclusive)	2.6
Allocation base of the distribution plan (share)	540,796,782
Cash dividend amount (RMB) (tax-inclusive)	140,607,163.32
Cash dividend amount in other ways (such as share repurchase) (RMB)	30,565,896.79
Total cash dividend amount (including other ways) (RMB)	171,173,060.11
Distributable profit (RMB)	2,277,655,559.77
Proportion of the total cash dividend amount (including other	100.00%

ways) to the total profit distribution amount	
The current cash dividend distribution	
(2) If the Company is in the phase of development difficult to distinguish and there are arrangements for major capital expenditures, cash dividends shall account for at least 20% in the profit distribution;	
Detailed note on the plan for profit distribution or the conversion of capital provident fund into the share capital	
The Company distributed a cash dividend of RMB2.60 (tax-inclusive) per 10 shares to all shareholders, based on the adjusted total share capital of 540,796,782 shares after deducting the shares repurchased in the repurchase account as at August 21, 2024, and distributed cash dividends of RMB140,607,163.32 (tax-inclusive) in total. From the date the profit distribution plan is disclosed until the equity distribution share registration date, if the total number of shares of the Company changes due to the listing of additional shares, the exercise of stock options, share repurchases, or other such activities, the Company will adjust the total amount distributed while maintaining the original distribution ratio.	

IV. Implementation of the Company's Share Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

Applicable Not applicable

1. Share incentives

(1) Phase III restricted share incentives

According to the resolution of the Fifth Meeting of the Fifth Board of Directors, the Company handled the vesting-related matters for eligible incentive recipients in accordance with the relevant provisions of the incentive plan. Ultimately, the Company processed the vesting registration for 518 incentive recipients, with a total of 1,563,200 shares vested on January 12, 2024.

(2) Phase IV restricted share incentives

On June 7, 2024, the Company held the Ninth Meeting of the Fifth Board of Directors to deliberate on and approve the *Proposal on the Achievement of the First Attribution Period Conditions of the Company's Phase IV Restricted Share Incentives*, the *Proposal on Canceling the Second Category of Restricted Shares Granted but Not Yet Attributed under Phase IV Restricted Share Incentives*, and *Proposal on Adjusting the Granting Price of the Second Category of Restricted Shares under the Company's Phase IV Restricted Share Incentives*. The Board of Directors believed that the vesting conditions in the first vesting period of the fourth restricted share incentive plan were met and 371,500 restricted shares could be vested this time. It agreed that the Company handled the vesting-related matters for 92 eligible incentive recipients in accordance with the relevant provisions of the incentive plan.

During the capital contribution and share registration process, 14 incentive recipients, including 13 who failed to pay their contributions before the deadline due to personal reasons and one who failed to pay the contribution in full amount before the deadline due to personal reasons, were deemed to have waived their subscription for part or all of the restricted shares that could be vested this time, leading the Company to void 38,700 restricted shares that had been granted but not yet vested. Ultimately, the Company processed the vesting registration for 79 incentive recipients, with a total of 332,800 shares vested on July 8, 2024.

2. Implementation of the employee stock ownership plan

Applicable Not applicable

3. Other employee incentive measures

Applicable Not applicable

Section V Environmental and Social Responsibility

I. Material Environmental Issues

Whether the listed company and its subsidiaries fall into the category of key pollutant discharge enterprises and institutions as declared by environmental protection authorities

Yes No

Policies and industry standards on environmental protection

1. *Pollutant Discharge Standards for the Semiconductor Industry DB32/3747-2020;*
2. *Water Quality Standards for Sewage Discharge into Urban Sewers GB/T31962-2015;*
3. *Comprehensive Emission Standards for Air Pollutants DB32/4041-2021;*
4. *Control Standard for Fugitive Emission of Volatile Organic Compounds GB37822-2019;*
5. *Emission Standards for Odor Pollutants GB14554-93;*
6. *Emission Standard for Electroplating Pollutants GB21900-2008;*
7. *Environmental Noise Emission Standards for Industries, Enterprises and Factories GB12348-2008;*
8. *Pollution Control Standards for Hazardous Waste Storage;*
9. *Technical Specifications for the Collection, Storage and Transport of Hazardous Wastes;*
10. *Emission Standards for Cooking Oil Fumes of the Catering Industry GB18483-2001.*

Status of environmental protection administrative license

The Company's construction projects were carried out in strict accordance with the regulations on environmental protection management and the requirements of "simultaneous design, construction and commissioning". The Company applied for a national emission permit in accordance with the requirements of local environmental protection authorities, and has been issued such a permit. Management was carried out in strict accordance with the emission permit system.

The Company's environmental protection credit evaluation was graded as blue.

Through continuous improvement of design, use of clean energy and raw materials, introduction of advanced technology and equipment, improvement of management, comprehensive utilization and other measures, the Company reduced pollution from the root, improved resource utilization efficiency, and reduced or avoided the generation and emission of pollutants in the production process.

Name of the Company or Subsidiary	Types of Major Pollutants and Characteristic Pollutants	Names of Major Pollutants and Characteristic Pollutants	Discharge Method	Number of Discharge Outlets	Distribution of Discharge Outlets	Emission Concentration/Intensity	Pollutant Emission Standards Implemented	Total Discharge	Approved total Discharge	Excess Discharge
West Heye Road Factory of Yangjie Technology	Wastewater	COD, SS, total nitrogen, ammonia nitrogen, total phosphorus, fluoride, LAS	After treatment with wastewater treatment devices, the wastewater was	1	General wastewater outlet	COD: 36mg/L SS: 8mg/L Total nitrogen: 31.2mg/L Ammonia nitrogen: 11.2mg/L Total phosphorus: 0.64mg/L	COD: 300mg/L SS: 250mg/L Total nitrogen: 35mg/L Ammonia nitrogen: 20mg/L Total phosphorus:	COD: 8.3t SS: 1.85t Total nitrogen: 7.2t Ammonia nitrogen: 2.58t Total phosphorus:	COD: 268.8t SS: 201.6t Total nitrogen:47.06t Ammonia nitrogen:30.24t Total phosphorus:	None

			discharged into the municipal pipe network, which would be taken over by the Beishan wastewater treatment plant.			Fluorides: 7.75mg/L	3mg/L Fluorides: 15mg/L	0.15t Fluorides: 1.79t	5.376t Fluorides: 13.44t	
West Heye Road Factory of Yangjie Technology	Exhaust gas	VOCs	Emitted from the exhaust pipe after treatment by the activated carbon adsorption device	6	Roof of the production department	Non-methane total hydrocarbons: 2.325mg/m ³	Non-methane total hydrocarbons: 50mg/m ³	Non-methane total hydrocarbons: 0.339t	Non-methane total hydrocarbons: 6.2042t	None
West Heye Road Factory of Yangjie Technology	Exhaust gas	HCl, NOx, sulfuric acid mist, fluoride, acetic acid, NH3	Emitted from the exhaust pipe after treatment by lye spraying tower	3	Sewage station and roof of the production department	HCl: 0.78mg/L; NOx: 1.4mg/L; Sulfuric acid mist: 0.21mg/L; fluorides: 0.33mg/L; Acetic acid: 0mg/L; NH3: 0.55mg/L	HCl: 10mg/L NOx: 50mg/L Sulfuric acid mist: 5mg/L Fluorides: 1.5mg/L Acetic acid/mg/L NH3: 10mg/L	HCl: 0.32t NOx: 0.32t Sulfuric acid mist: 0.056t Fluorides: 0.25t Acetic acid: 0t; NH3: 0.39t	HCl: 1.769t NOx: 1.13t Sulfuric acid mist: 0.721t Fluorides: 1.259t Acetic acid: 0.32t; NH3: 0.428t	None
Innovation Park Factory of Yangjie Technology	Wastewater	COD, SS, ammonia nitrogen, fluoride, total phosphorus	After treatment with wastewater treatment devices, the wastewater was discharged into the municipal pipe network, which would be taken over by the Beishan wastewater treatment plant.	1	General wastewater outlet	COD: 50mg/L; SS: 10mg/L; Ammonia nitrogen: 10mg/L; Total phosphorus: 0.24mg/L Fluorides: 6.88mg/L;	COD: 300mg/L SS: 250mg/L Ammonia nitrogen: 20mg/L Total phosphorus: 3mg/L Fluorides: 15mg/L	COD: 9.2t SS: 1.84t Ammonia nitrogen: 1.84t Total phosphorus: 0.04t Fluorides: 1.27t	COD: 149.76t SS: 112.32t Ammonia nitrogen: 6.85t Total phosphorus: 3t Fluorides: 7.49t	None
Innovation Park Factory of Yangjie Technology	Exhaust gas	VOCs	Emitted from the exhaust pipe after treatment by the activated carbon adsorption device	1	Roof of the production department	Non-methane total hydrocarbon: 12.5mg/m ³	Non-methane total hydrocarbons: 50mg/m ³	Non-methane total hydrocarbon: 0.141t	Non-methane total hydrocarbon: 0.99t	None
North Gaoshu Road Factory of Yangjie Technology	Wastewater	COD, SS, total nitrogen, ammonia nitrogen, total phosphorus, phenol, petroleum,	After treatment with wastewater treatment devices, the	1	General wastewater outlet	COD: 28mg/L SS: 6mg/L Total nitrogen: 9.1mg/L Ammonia nitrogen: 0.167mg/L	COD: 500mg/L SS: 400mg/L Total nitrogen: 70mg/L Ammonia nitrogen: 45mg/L	COD: 0.49t SS: 0.11t Total nitrogen: 0.16t Ammonia	COD: 2.597t SS: 0.81t Total nitrogen: 0.082t Ammonia nitrogen:	None

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

Pollutant treatment

The Company's environmental protection facilities were designed, constructed and accepted simultaneously as the construction project, and put into use after acceptance in accordance with the standard requirements and specifications of administrative regulations for environmental protection. Regular operation, maintenance and other tasks were carried out to ensure the normal operation of environmental protection facilities and compliance with the emission standards. The wastewater facility outlets and the primary discharge outlet were set up with online pollutant monitoring devices, networked with local environmental protection authorities, and passed acceptance. Operation and maintenance were carried out by third-party professional institutions, and advanced treatment agents were adopted. Therefore, the concentration of pollution factors and total emissions were significantly reduced. The exhaust gas facilities were operated and maintained by professional personnel to ensure

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

Environmental Self-monitoring Plan

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

Contingency plans for environmental emergencies

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

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

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

Administrative Penalties Imposed for Environmental Issues during the Reporting Period

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

Other environmental information to be disclosed

Not applicable

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

Applicable Not applicable

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

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

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

Other information related to environmental protection

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

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

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

II. Social Responsibility

Not applicable

Section VI Significant Events

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

Applicable Not applicable

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

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

Applicable Not applicable

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

III. Illegal External Guarantee

Applicable Not applicable

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

IV. Engagement and Disengagement of Accounting Firms

The semi-annual financial statement audited or not

Yes No

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

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

Applicable Not applicable

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

Applicable Not applicable

VII. Matters Related to Bankruptcy Reorganization

Applicable Not applicable

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

VIII. Litigation

Material litigation and arbitration

Applicable Not applicable

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

Other litigation

Applicable Not applicable

IX. Punishment and Remediation

Applicable Not applicable

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

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

Applicable Not applicable

XI. Material Related-party Transactions

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

Applicable Not applicable

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

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

Applicable Not applicable

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

3. Related-party transactions of joint external investment

Applicable Not applicable

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

4. Credits and liabilities with related parties

Applicable Not applicable

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

5. Business with related financial companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other material related-party transactions

Applicable Not applicable

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

XII. Material Contracts and the Performance

1. Information on trusteeship, contracting, and leasing matters

(1) Information on trusteeship matters

Applicable Not applicable

The Company had no trusteeship matters during the Reporting Period.

(2) Information on contracting matters

Applicable Not applicable

The Company had no contracting matters during the Reporting Period.

(3) Information on leasing matters

Applicable Not applicable

The Company had no leasing matters during the Reporting Period.

2. Material guarantee business

Applicable Not applicable

No significant guarantees by the Company during the Reporting Period.

3. Material contracts in routine operations

Unit: RMB

Party A	Party B	Total Contract Amount	Progress of Performance of Contract	Sales Revenue Recognized for the Reporting Period	Cumulatively Recognized Sales Revenue	Collection of Accounts Receivable	Whether there were Material Changes in Conditions that Affect Performance of Material Contracts	Whether there were Material Risks that Prevented Performance of Contract
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4. Other material contracts

Applicable Not applicable

The Company had no other material contracts during the Reporting Period.

XIII. Other Significant Events

Applicable Not applicable

The Company had no other significant events to be stated during the Reporting Period.

XIV. Significant Matters of the Company's Subsidiaries

Applicable Not applicable

1. For business development, Shanghai Lingxin Semiconductor Technology Co., Ltd. held a shareholders' meeting and decided to change the Company's legal representative from Wang Yulin to Dai Juan, and it completed the registration of the change with the industrial and commercial administration on March 20, 2024.

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

3. To further expand its business, the Company established a Hangzhou branch of Yangzhou Yangjie Electronic Technology Co., Ltd. in Hangzhou residing at Room 2706-A, Yintai International Business Center, 1600 Science Museum Street, Changhe Sub-district, Binjiang District, Hangzhou City, Zhejiang Province, the business scope of which includes wholesale of electronic components and sale of power and electronic components (except for items subject to approval according to law, business activities shall be carried out independently according to law with the business license). The Hangzhou branch registered with the industrial and commercial administration on May 8, 2024.

Section VII Share Changes and Shareholder Status

I. Share Changes

1. Share changes

Unit: Share

	Before the Change		Increase/Decrease of the Change (+, -)					After the Change	
	Number	Percentage	New Shares Issued	Bonus Issue	Shares Converted from Capital Reserve	Others	Subtotal	Number	Percentage
I. Shares Subject to Selling Restrictions	1,055,552	0.19%	87,000	0	0	-21,000	66,000	1,121,552	0.21%
1. State-held shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned legal person	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestically held shares	1,055,552	0.19%	87,000	0	0	-21,000	66,000	1,121,552	0.21%
Including: Shares held by domestic legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural person	1,055,552	0.19%	87,000	0	0	-21,000	66,000	1,121,552	0.21%
4. Foreign-held shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: Shares held by offshore legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by offshore natural person	0	0.00%	0	0	0	0	0	0	0.00%

II. Shares not Subject to Selling Restrictions	540,396,235	99.81%	1,476,200	0	0	21,000	1,497,200	541,893,435	99.79%
1. RMB ordinary shares	540,396,235	99.81%	1,476,200	0	0	21,000	1,497,200	541,893,435	99.79%
2. Domestically listed foreign-invested shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign-invested shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total Shares	541,451,787	100.00%	1,563,200	0	0	0	1,563,200	543,014,987	100.00%

Reason for share changes

Applicable Not applicable

On January 12, 2024, the Company registered the vested shares during the second vesting period of the Phase III restricted share incentives. Shares vested this time were the Company's RMB ordinary A-shares issued by the Company to incentive recipients, and a total of 1,563,200 shares were vested. The Company's total share capital changed from 541,451,787 shares to 543,014,987 shares.

Authorization for share changes

Applicable Not applicable

Transfer of changed shares

Applicable Not applicable

Progress of implementation on share repurchase

Applicable Not applicable

During the Reporting Period, the Company, via the securities account for repurchase and by means of call auction, repurchased 882,505 shares of itself in total, accounting for 0.1625% of its total share capital at that time, at a transaction price of RMB35.56 per share the highest and RMB33.60 per share the lowest and a total price of RMB30,565,896.79.

As at the date when this Report was disclosed, the Company, via the securities account for repurchase and by means of call auction, repurchased 2,551,005 shares of itself in total, accounting for 0.4695% of its total share capital up to date, at a transaction price of RMB37.00 per share the highest and RMB33.60 per share the lowest and a total price of RMB90,528,153.80 (excluding transaction expenses). The Share Repurchase Plan of the Company concerned in this Report has been implemented.

Progress of implementation on reducing the holding of repurchased shares through call auction

Applicable Not applicable

Impact of share changes on financial indicators such as primary earnings per share, earnings per share diluted, and net asset value per share owned by ordinary shareholders of the Company for the most recent year and the most recent period

Applicable Not applicable

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

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

Unit: Shares

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

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

					registration of the second category of restricted shares during the second vesting period of the Phase III restricted share incentives, and new restricted shares for senior management were added.	
Zhou Liming	11,000.00	11,000.00	0.00	0.00	-	-
Xu Jingjing	10,000.00	10,000.00	0.00	0.00	-	-
Total	1,055,552	21,000.00	87,000.00	1,121,552.00	--	--

II. Details of Securities Issuance and Listing

Applicable Not applicable

III. Number of the Company's Shareholders and Their Shareholdings

Unit: Share

Number of Ordinary Shareholders at the End of the Reporting Period		56,597		Number of Preferred Shareholders with Restored Voting Rights at the End of the Reporting Period (if any) (see Note 8)		0		Total Number of Shareholders holding Special Voting Shares (if any)		0	
Ordinary Shareholders Holding More than 5% of Ordinary Shares or Shareholding of the Top 10 Shareholders (Excluding Shares Lent through Refinancing)											
Name of Shareholder	Nature of Shareholder	Shareholding Ratio (%)	Number of Shares Held at the End of the Reporting Period	Change in Shareholdings During the Reporting Period	Number of Shares Held Subject to Selling Restrictions	Number of Shares Held not Subject to Selling Restrictions	Pledged, Marked, or Frozen				
							Status of Shares	Number			
Jiangsu Yangjie Investment Co., Ltd.	Domestic non-state-owned legal person	36.12%	196,151,100.00	0	0	196,151,100.00	N/A	0			
Jianshui County Jiejie Enterprise Management Co., Ltd.	Domestic non-state-owned legal person	11.74%	63,723,520.00	0	0	63,723,520.00	N/A	0			
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas legal person	2.29%	12,436,743.00	4,703,210.00	0	12,436,743.00	N/A	0			
Agricultural Bank of China Limited - Guotai Smart Car Equity Investment	Others	1.05%	5,701,131.00	410,700.00	0	5,701,131.00	N/A	0			

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

	Reporting Period	Type of Shares	Number
Jiangsu Yangjie Investment Co., Ltd.	196,151,100.00	RMB ordinary shares	196,151,100.00
Jianshui County Jiejie Enterprise Management Co., Ltd.	63,723,520.00	RMB ordinary shares	63,723,520.00
Hong Kong Securities Clearing Company Ltd. (HKSCC)	12,436,743.00	RMB ordinary shares	12,436,743.00
Agricultural Bank of China Limited - Guotai Smart Car Equity Investment Fund	5,701,131.00	RMB ordinary shares	5,701,131.00
Industrial and Commercial Bank of China Limited - E Fund Growth Enterprise Market (GEM) Exchange Traded Fund (ETF)	5,539,742.00	RMB ordinary shares	5,539,742.00
Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund	4,382,493.00	RMB ordinary shares	4,382,493.00
Wang Yan	3,766,000.00	RMB ordinary shares	3,766,000.00
National Social Security Fund Portfolio 114	3,702,000.00	RMB ordinary shares	3,702,000.00
Agricultural Bank of China Limited - CSI 500 Exchange Traded Fund (ETF)	3,688,859.00	RMB ordinary shares	3,688,859.00
Bank of China Limited - Guotai CES Semiconductor Chip Industry Exchange Traded Fund (ETF)	3,001,231.00	RMB ordinary shares	3,001,231.00
Explanation on the affiliation or concerted action among the top 10 shareholders of floating stocks not subject to selling restrictions, and among these shareholders and the top 10 shareholders	Same as above		
Top 10 ordinary shareholders participating in margin trading and securities lending (if any) (see Note 4)	N/A		

Details of shareholdings of shareholders holding more than 5% of the shares or the top ten shareholders lent through refinancing

Applicable Not applicable

Unit: Shares

Details of Shareholdings of Shareholders Holding More than 5% of the Shares or the Top Ten Shareholders Lent through Refinancing								
Name of shareholder (full name)	Shareholding in ordinary and credit accounts at the beginning of the Reporting Period		Lent out securities at the beginning of the Period but not yet returned		Shareholding in ordinary and credit accounts at the end of the Reporting Period		Lent out securities at the end of the Period but not yet returned	
	Total	Proportion in total share	Total	Proportion in total share	Total	Proportion in total share	Total	Proportion in total share

		capital		capital		capital		capital
Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund	5,343,044.00	0.98%	173,800.00	0.03%	4,382,493.00	0.81%	150,700.00	0.03%
Bank of China Limited - Guotai CES Semiconductor Chip Industry Exchange Traded Fund (ETF)	4,029,031.00	0.74%	141,700.00	0.03%	3,001,231.00	0.55%	305,300.00	0.06%
Industrial and Commercial Bank of China Limited - E Fund Growth Enterprise Market (GEM) Exchange Traded Fund (ETF)	3,810,462.00	0.70%	467,400.00	0.09%	5,539,742.00	1.02%	348,600.00	0.06%
Agricultural Bank of China Limited - CSI 500 Exchange Traded Fund (ETF)	1,734,964.00	0.32%	526,400.00	0.10%	3,688,859.00	0.68%	140,800.00	0.03%

Changes in the top ten shareholders and the top ten shareholders of floating stocks not subject to selling restrictions from the previous period due to lending/return through refinancing

Applicable Not applicable

Whether the Company has a differential voting rights arrangement

Yes No

Have the Company's top 10 ordinary shareholders, and top 10 ordinary shareholders not subject to selling restrictions, conducted agreed buy-back deals during the Reporting Period?

Yes No

The Company's top 10 ordinary shareholders, and top 10 ordinary shareholders not subject to selling restrictions, have not conducted agreed buy-back deals during the Reporting Period.

IV. Total Amount of Pledged Shares of the Company's Controlling Shareholders or the Major Shareholder and the Persons Acting in Concert Accounting for 80% of the Amount of the Company's Shares Held by It

Applicable Not applicable

V. Changes in the Shareholdings of the Directors, Supervisors, and Senior Management Officers of the Company

Applicable Not applicable

Name	Position	Office-holding status	Number of Shares Held at the Beginning of the Reporting Period (shares)	Number of the Increase in the Shares Held in the Reporting Period (shares)	Number of the Increase in the Shares Held in the Reporting Period (shares)	Number of Shares Held at the End of the Reporting Period (Shares)	Number of Restricted Shares Granted at the Beginning of the Reporting Period (shares)	Number of Restricted Shares Granted in the Reporting Period (shares)	Number of Restricted Shares Granted at the End of the Reporting Period (shares)
Liang Yao	Vice Chairman	Incumbent	380,625.00	15,000.00	0.00	395,625.00	0.00	0.00	0.00
Liu Congning	Vice Chairman/Vice President	Incumbent	379,813.00	20,000.00	0.00	399,813.00	0.00	0.00	0.00
Chen Runsheng	Director and President	Incumbent	230,669.00	25,000.00	0.00	255,669.00	0.00	0.00	0.00
Xu Xiaobing	Director and Vice President	Incumbent	99,169.00	20,000.00	0.00	119,169.00	0.00	0.00	0.00
Shen Ying	Vice President	Incumbent	11,000.00	11,000.00	0.00	22,000.00	0.00	0.00	0.00
Dai Juan	Vice President	Incumbent	268,125.00	15,000.00	0.00	283,125.00	0.00	0.00	0.00
Fan Fengbin	Chairman Assistant and Board Secretary	Incumbent	10,000.00	10,000.00	0.00	20,000.00	0.00	0.00	0.00
Total	--	--	1,379,401.00	116,000.00	0.00	1,495,401.00	0.00	0.00	0.00

VI. Changes in Controlling Shareholders or de facto Controllers

Changes of controlling shareholders during the Reporting Period

Applicable Not applicable

There were no changes in controlling shareholders of the Company during the Reporting Period.

Changes of de facto controllers of the Company during the Reporting Period

Applicable Not applicable

There were no changes in de facto controllers of the Company during the Reporting Period.

Section VIII Relevant Information about Preferred Shares

Applicable Not applicable

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

Section IX Relevant Information about Bonds

Applicable Not applicable

Section X Financial Statements

I. Auditor's Report

Has the semi-annual report been audited?

Yes No

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

II. Financial Statement

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

1. Consolidated balance sheet

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

June 30, 2024

Unit: RMB

Item	Closing Balance	Opening Balance
Current assets:		
Cash and bank balances	3,838,890,200.44	3,518,238,062.56
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	30,574,630.45	41,785,067.71
Derivative financial assets		
Notes receivable	17,834,919.97	12,863,153.42
Accounts receivable	1,675,082,234.32	1,515,579,463.24
Receivables financing	167,514,616.96	217,717,753.23
Advances paid	31,045,227.56	59,693,121.73
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	17,578,808.36	12,420,738.13
Including: Interest receivable		
Dividend receivable		
Financial assets under reverse repo		
Inventories	1,120,458,983.61	1,145,317,621.74
Including: Data resources		
Contract assets	689,861.40	1,609,591.36
Assets held for sale		
Non-current assets due within one year		
Other current assets	73,627,953.88	33,323,514.88
Total current assets	6,973,297,436.95	6,558,548,088.00
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		

Long-term receivables		
Long-term equity investments	62,408,373.42	62,372,039.75
Other equity instrument investments		
Other non-current financial assets	688,206,536.40	649,575,265.88
Investment property		
Fixed assets	3,329,179,726.74	3,480,422,021.32
Construction in progress	1,268,412,974.50	720,260,135.67
Productive biological assets		
Oil & gas assets		
Right-of-use assets	105,441,904.78	117,816,524.02
Intangible assets	203,948,585.63	211,533,873.67
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	313,851,069.78	313,851,069.78
Long-term prepayments	110,725,383.72	117,867,540.00
Deferred tax assets	16,374,908.77	14,231,497.36
Other non-current assets	194,291,739.02	380,445,695.65
Total non-current assets	6,292,841,202.76	6,068,375,663.10
Total assets	13,266,138,639.71	12,626,923,751.10
Current liabilities:		
Short-term borrowings	1,078,994,805.81	553,968,908.45
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	251,950,924.91	239,394,631.11
Accounts payable	1,395,747,367.52	1,188,088,881.20
Advances received		
Contract liabilities	29,286,072.55	35,088,567.84
Financial assets under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	117,476,214.38	164,603,775.02
Taxes and rates payable	55,265,562.06	27,147,354.55
Other payables	57,167,877.08	50,397,974.95
Including: Interest payable		
Dividends payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one	360,113,046.42	445,321,187.64

year		
Other current liabilities	1,007,326.93	3,594,982.83
Total current liabilities	3,347,009,197.66	2,707,606,263.59
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	490,717,278.15	395,095,778.15
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	85,059,992.41	101,217,303.95
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	169,117,377.68	184,130,467.60
Deferred tax liabilities	241,513,505.86	232,867,475.88
Other non-current liabilities	181,065,625.00	319,316,563.00
Total non-current liabilities	1,167,473,779.10	1,232,627,588.58
Total liabilities	4,514,482,976.76	3,940,233,852.17
Owners' equity:		
Share capital	543,347,787.00	543,014,987.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,070,478,042.45	4,059,355,866.45
Less: Treasury shares	90,528,153.80	59,962,257.01
Other comprehensive income	22,815,195.54	22,961,850.71
Special reserve		
Surplus reserve	271,507,493.50	271,507,493.50
General risk reserve		
Undistributed profit	3,510,134,303.55	3,409,569,241.07
Total equity attributable to the owners of the parent company	8,327,754,668.24	8,246,447,181.72
Non-controlling interest	423,900,994.71	440,242,717.21
Total owners' equity	8,751,655,662.95	8,686,689,898.93
Total liabilities and owners' equity	13,266,138,639.71	12,626,923,751.10

Legal Representative: Liang Qin Chief Accountant: Dai Juan Head of Accounting Department: She Jing

2. Parent company balance sheet

Unit: RMB

Item	Closing Balance	Opening Balance
Current assets:		
Cash and bank balances	2,435,243,574.55	1,868,469,130.60
Held-for-trading financial assets		10,000,000.00
Derivative financial assets		

Notes receivable	10,014,623.97	9,055,604.71
Accounts receivable	1,542,673,663.52	1,493,056,910.06
Receivables financing	99,311,070.40	71,704,696.46
Advances paid	36,793,145.86	51,431,694.03
Other receivables	115,111,019.92	68,359,486.42
Including: Interest receivable		
Dividend receivable		
Inventories	811,175,635.85	844,052,546.30
Including: Data Resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	14,319,181.55	10,065,304.87
Total current assets	5,064,641,915.62	4,426,195,373.45
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,274,859,667.57	2,274,823,333.90
Other equity instrument investments		
Other non-current financial assets	688,206,536.40	649,575,265.88
Investment property		
Fixed assets	1,904,561,324.57	2,048,021,726.13
Construction in progress	108,692,329.54	87,751,953.14
Productive biological assets		
Oil & gas assets		
Right-of-use assets		
Intangible assets	55,173,856.56	57,703,582.89
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepayments	53,614,984.80	61,490,472.32
Deferred tax assets		32,203.53
Other non-current assets	182,809,860.77	320,484,793.00
Total non-current assets	5,267,918,560.21	5,499,883,330.79
Total assets	10,332,560,475.83	9,926,078,704.24
Current liabilities:		
Short-term borrowings	654,879,862.50	200,130,136.99
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	245,793,117.60	242,603,698.75
Accounts payable	1,061,583,784.18	999,302,173.41
Advances received		

Contract liabilities	34,230,761.44	64,756,055.77
Employee benefits payable	67,129,761.57	98,938,839.28
Taxes and rates payable	27,539,377.90	11,505,025.04
Other payables	124,195,763.32	28,000,538.94
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	300,256,506.85	400,131,506.85
Other current liabilities	4,248,434.20	8,075,363.26
Total current liabilities	2,519,857,369.56	2,053,443,338.29
Non-current liabilities:		
Long-term borrowings	299,945,952.05	200,279,452.05
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	108,940,393.32	119,412,184.09
Deferred tax liabilities	147,166,352.03	149,648,694.68
Other non-current liabilities	181,065,625.00	319,316,563.00
Total non-current liabilities	737,118,322.40	788,656,893.82
Total liabilities	3,256,975,691.96	2,842,100,232.11
Owners' equity:		
Share capital	543,347,787.00	543,014,987.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,073,602,097.40	4,062,479,921.40
Less: Treasury shares	90,528,153.80	59,962,257.01
Other comprehensive income		
Special reserve		
Surplus reserve	271,507,493.50	271,507,493.50
Undistributed profit	2,277,655,559.77	2,266,938,327.24
Total owners' equity	7,075,584,783.87	7,083,978,472.13
Total liabilities and owners' equity	10,332,560,475.83	9,926,078,704.24

3. Consolidated income statement

Unit: RMB

Item	2024 Mid-year	2023 Mid-year
I. Total Operating Revenue	2,865,255,202.25	2,624,742,386.62
Including: Operating revenue	2,865,255,202.25	2,624,742,386.62

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

V. Net Profit (Net Losses are Expressed with "-")	422,681,729.18	405,356,234.24
i. Classified by operation continuity		
1. Net profit from continuing operations (net losses are expressed with "-")	422,681,729.18	405,356,234.24
2. Net profit from discontinuing operations (net losses are expressed with "-")		
ii. Categorized by ownership		
1. Net profit attributable to shareholders of parent company (or less: net loss)	424,843,451.68	410,749,362.62
2. Net profit attributable to non-controlling shareholders (or less: net loss)	-2,161,722.50	-5,393,128.38
VI. Other Comprehensive Income after Tax	-146,655.17	11,068,344.53
Net of other comprehensive income after tax, attributable to owners of the parent company	-146,655.17	11,068,344.53
i. Other comprehensive income that will not be reclassified to profit or loss		
1. Remeasurement gains or losses of a defined benefit plan		
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
ii. Other comprehensive income to be reclassified to profit or loss	-146,655.17	11,068,344.53
1. Other comprehensive income that can be reclassified to profit or loss in equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Allowance for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Exchange differences on translation of foreign currency financial statements	-146,655.17	11,068,344.53
7. Others		
Net of tax of other comprehensive income attributable to non-controlling interests		
VII. Total Comprehensive Income	422,535,074.01	416,424,578.77
Total comprehensive income	424,696,796.51	421,817,707.15

attributable to owners of the parent company		
Total comprehensive income attributable to non-controlling interests	-2,161,722.50	-5,393,128.38
VIII. Earnings per share (EPS):		
i. Basic EPS	0.78	0.79
ii. Diluted EPS	0.78	0.79

Amongst business combination under common control in the current period, the net profit achieved by the merge prior to the combination is RMB (previous year: RMB).

Legal Representative: Liang Qin Chief Accountant: Dai Juan Head of Accounting Department: She Jing

4. Income statement of the parent company

Unit: RMB

Item	2024 Mid-year	2023 Mid-year
I. Operating Revenue	2,467,885,352.95	2,215,831,830.59
Less: Operating cost	1,936,900,331.58	1,675,798,013.65
Taxes and surcharges	11,472,451.66	14,794,173.02
Selling expenses	46,991,042.27	43,455,698.61
Administrative expenses	87,086,906.22	79,689,768.97
R&D expenses	107,633,600.83	103,719,691.62
Financial expenses	-41,981,192.49	-109,434,510.06
Including: Interest expenses		
Interest income		
Add: Other income	57,028,672.70	12,617,742.31
Investment income (losses are expressed with "-")	31,215,553.43	35,639,989.62
Including: Investment income from associates and joint ventures		
Gains from derecognition of financial assets at amortized cost		
Net exposure hedging gains (losses are expressed with "-")		
Gains from changes in fair value (losses are expressed with "-")	-11,368,729.48	-15,580,233.35
Credit impairment loss (losses are expressed with "-")	-13,206,889.19	-24,687,662.81
Assets impairment loss (losses are expressed with "-")	-2,654,592.07	-28,013,316.71
Gains on asset disposal (losses are expressed with "-")	498,325.36	370,254.38
II. Operating Profit (Losses are Expressed with "-")	381,294,553.63	388,155,768.22
Add: Non-operating revenue	3,650,805.23	1,076,408.45
Less: Non-operating expenditures	1,622,406.53	5,925,797.75
III. Total Profit (Total Losses are Expressed with "-")	383,322,952.33	383,306,378.92

Less: Income tax	48,327,330.60	47,828,773.75
IV. Net Profit (Net Losses are Expressed with "-")	334,995,621.73	335,477,605.17
i. Net profit from continuing operations (net losses are expressed with "-")	334,995,621.73	335,477,605.17
ii. Net profit from discontinued operations (net losses are expressed with "-")		
V. Other Comprehensive Income after Tax		
i. Other comprehensive income that will not be reclassified to profit or loss		
1. Remeasurement gains or losses of a defined benefit plan		
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
ii. Other comprehensive income to be reclassified to profit or loss		
1. Other comprehensive income that can be reclassified to profit or loss in equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Allowance for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Exchange differences on translation of foreign currency financial statements		
7. Others		
VI. Total Comprehensive Income	334,995,621.73	335,477,605.17
VII. Earnings per Share (EPS):		
i. Basic EPS		
ii. Diluted EPS		

5. Consolidated statement of cash flows

Unit: RMB

Item	2024 Mid-year	2023 Mid-year
I. Cash Flows from Operating Activities:		
Cash receipts from sale of goods and the rendering of services	2,195,537,647.71	2,452,430,301.15
Net increase in customer bank deposits and due to banks and other financial		

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

Other cash receipts related to investing activities	50,641,840.48	181,578,359.99
Subtotal of cash inflows from investing activities	56,362,953.25	250,713,107.86
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	339,601,419.40	262,988,113.51
Cash payments for investments	50,000,000.00	17,830,331.94
Net increase in pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units		162,575,790.01
Other cash payments related to investing activities	38,757,129.69	44,814,600.07
Subtotal of cash outflows from investing activities	428,358,549.09	488,208,835.53
Net cash flows from investing activities	-371,995,595.84	-237,495,727.67
III. Cash Flows from Financing Activities:		
Cash receipts from absorbing investments	17,274,976.00	1,472,662,356.10
Including: Cash received by subsidiaries from non-controlling shareholders as investments	5,820,000.00	
Cash receipts from borrowings	1,145,000,000.00	731,103,016.22
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	1,162,274,976.00	2,203,765,372.32
Cash payments for the repayment of borrowings	625,795,000.00	275,811,515.93
Cash payments for distribution of dividends or profits and for interest expenses	361,541,461.85	285,839,512.83
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		
Other cash payments related to financing activities	35,027,331.90	10,670,468.69
Subtotal of cash outflows from financing activities	1,022,363,793.75	572,321,497.45
Net cash flows from financing activities	139,911,182.25	1,631,443,874.87
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	16,708,314.97	91,857,181.69
V. Net Increase in Cash and Cash Equivalents	312,761,336.79	1,756,356,591.02
Add: Opening balance of cash and cash equivalents	3,474,836,947.19	1,429,416,363.84
VI. Closing Balance of Cash and Cash Equivalents	3,787,598,283.98	3,185,772,954.86

6. Parent company statement of cash flows

Unit: RMB

Item	2024 Mid-year	2023 Mid-year
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I. Cash Flows from Operating Activities:		
Cash receipts from sale of goods and the rendering of services	1,983,957,497.67	2,215,090,177.25
Tax refunds received		4,966,912.84
Cash received relating to other operating activities	45,225,046.23	68,945,747.95
Subtotal of cash inflows from operating activities	2,029,182,543.90	2,289,002,838.04
Cash paid for purchase of goods and services	1,071,891,158.25	1,953,422,685.24
Cash paid to and on behalf of employees	294,830,378.37	285,891,204.71
Cash payments for taxes and rates	50,054,638.69	45,967,214.84
Other cash payments related to operating activities	37,200,638.08	35,557,638.56
Subtotal of cash outflows from operating activities	1,453,976,813.39	2,320,838,743.35
Net cash flows from operating activities	575,205,730.51	-31,835,905.31
II. Cash Flows from Investing Activities:		
Cash receipts from withdrawal of investments		60,000,000.00
Cash receipts from investment income	33,857,765.37	3,063,684.91
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		1,781,300.86
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	52,863,973.56	226,798,266.52
Subtotal of cash inflows from investing activities	86,721,738.93	291,643,252.29
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	135,121,351.63	70,057,251.57
Cash payments for investments	50,000,000.00	49,930,331.94
Net cash payments for the acquisition of subsidiaries & other business units		293,760,000.00
Other cash payments related to investing activities	137,922,778.30	
Subtotal of cash outflows from investing activities	323,044,129.93	413,747,583.51
Net cash flows from investing activities	-236,322,391.00	-122,104,331.22
III. Cash Flows from Financing Activities:		
Cash receipts from absorbing investments	11,454,976.00	1,470,369,156.10
Cash receipts from borrowings	766,000,000.00	400,000,000.00
Other cash receipts related to financing activities	118,175,451.67	81,646,534.23
Subtotal of cash inflows from financing activities	895,630,427.67	1,952,015,690.33
Cash payments for the repayment of borrowings	321,950,000.00	205,000,000.00

Cash payments for distribution of dividends or profits and for interest expenses	337,552,130.88	281,318,508.12
Other cash payments related to financing activities	30,565,896.79	10,670,468.69
Subtotal of cash outflows from financing activities	690,068,027.67	496,988,976.81
Net cash flows from financing activities	205,562,400.00	1,455,026,713.52
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	9,921,601.04	73,415,057.06
V. Net Increase in Cash and Cash Equivalents	554,367,340.55	1,374,501,534.05
Add: Opening balance of cash and cash equivalents	1,849,853,581.57	1,187,713,841.00
VI. Closing Balance of Cash and Cash Equivalents	2,404,220,922.12	2,562,215,375.05

7. Consolidated statement of changes in equity

Amount during the current period

Unit: RMB

Item	2024 Mid-year													Non-controlling Interest	Total Owners' equity
	Equity Attributable to Parent Company											Subtotal			
	Share Capital	Other Equity Instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profit		Others		
	Preferred Shares	Perpetual Bonds	Others												
I. Balance at the end of prior year	543,014,987.00				4,059,355,866.45	59,962,257.01	22,961,850.71		271,507,493.50		3,409,569,241.07	8,246,447,181.72	440,242,717.21	8,686,689,898.93	
Add: Cumulative changes of accounting policies															
Error correction of prior period															
Others	543,014,987.00				4,059,355,866.45	59,962,257.01	22,961,850.71		271,507,493.50		3,409,569,241.07	8,246,447,181.72	440,242,717.21	8,686,689,898.93	
II. Opening Balance of Current Year	332,800.00				11,122,176.00	30,565,896.79	-146,655.17				100,565,062.48	81,307,486.52	16,341,722.50	64,965,764.02	
III. Current Period Increase (Decrease Is Expressed with "+,-")							-146,655.17				424,843,451.68	424,696,796.51	-2,161,722.50	422,535,074.01	
i. Total comprehensive income	332,800.00				11,122,176.00							11,454,976.00	5,820,000.00	17,274,976.00	
ii. Capital contributed or withdrawn by owners	332,800.00				11,122,176.00							11,454,976.00	5,820,000.00	17,274,976.00	
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity	543,014,987.00				4,059,355,866.45	59,962,257.01	22,961,850.71		271,507,493.50		3,409,569,241.07	8,246,447,181.72	440,242,717.21	8,686,689,898.93	
4. Others															
iii. Profit											-	-	-	-	

distribution												324,278,389.20	324,278,389.20	20,000,000.00	344,278,389.20
1. Appropriation of surplus reserve															
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners (or shareholders)												324,278,389.20	324,278,389.20	20,000,000.00	344,278,389.20
4. Others															
iv. Internal carry-over within equity															
1. Transfer of capital reserve to capital (or share capital)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
v. Special reserve															
1. Appropriation of current period															
2. Application of current period															
vi. Others															
IV. Closing Balance of Current Period	543,347,787.00				4,070,478,042.45	90,528,153.80	22,815,195.54	0.00	271,507,493.50			3,510,134,303.55	8,327,754,668.24	423,900,994.71	8,751,655,662.95

Amount of prior year

Unit: RMB

Item	2023 Mid-year														Non-controlling Interest	Total Owners' equity
	Equity Attributable to Parent Company															
	Share Capital	Other Equity Instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profit	Others	Subtotal			
	Preferred Shares	Perpetual Bonds	Others													
I. Balance at the end of prior year	512,772,787.00				2,584,590,243.74	0.00	28,166,283.84		256,386,393.50		2,771,489,902.27		6,153,405,610.35	184,577,839.49	6,337,983,449.84	
Add: Cumulative changes of accounting policies													0.00			
Error correction of prior period													0.00			
Business combination under common control																
Others													0.00			
II. Opening Balance of Current Year	512,772,787.00	0.00	0.00	0.00	2,584,590,243.74	0.00	28,166,283.84	0.00	256,386,393.50	0.00	2,771,489,902.27		6,153,405,610.35	184,577,839.49	6,337,983,449.84	
III. Current Period	28,679,000.00	0.00	0.00	0.00	1,448,163,181.35	0.00	11,068,344.53	0.00	0.00	0.00	140,023,469.12		1,627,933,995.00	223,246,245.30	1,851,180,240.30	

Increase (Decrease Is Expressed with "-")															
i. Total comprehensive income						11,068,344.53					410,749,362.62		421,817,707.15	-5,393,128.38	416,424,578.77
ii. Capital contributed or withdrawn by owners	28,679,000.00	0.00	0.00	0.00	1,448,163,181.35	0.00	0.00	0.00	0.00	0.00	0.00		1,476,842,181.35	228,639,373.68	1,705,481,555.03
1. Ordinary shares contributed by owners	28,679,000.00				1,428,893,461.35								1,457,572,461.35	228,639,373.68	1,686,211,835.03
2. Capital contributed by holders of other equity instruments													0.00		0.00
3. Amount of share-based payment included in equity					19,269,720.00								19,269,720.00		19,269,720.00
4. Others													0.00		0.00
iii. Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-270,725,893.50		-270,725,893.50	0.00	-270,725,893.50
1. Appropriation of surplus reserve													0.00		0.00
2. Appropriation of general risk reserve													0.00		0.00
3. Appropriation of profit to owners (or shareholders)											-270,725,893.50		-270,725,893.50		-270,725,893.50
4. Others													0.00		0.00
iv. Internal carry-over within equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
1. Transfer of capital reserve to capital (or share capital)													0.00		0.00
2. Transfer of surplus reserve to capital (or share capital)													0.00		0.00
3. Surplus reserve to cover losses													0.00		0.00
4. Changes in defined benefit plan carried over to retained earnings													0.00		0.00
5. Other comprehensive income carried over to retained earnings													0.00		0.00
6. Others													0.00		0.00
v. Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
1. Appropriation of current period													0.00		0.00
2. Application of current period													0.00		0.00
vi. Others													0.00		0.00
IV. Closing Balance of Current Period	541,451,787.00	0.00	0.00	0.00	4,032,753,425.09	0.00	39,234,628.37	0.00	256,386,393.50		2,911,513,371.39		7,781,339,605.35	407,824,084.79	8,189,163,690.14

8. Parent company statement of changes in equity

Amount during the current period

Unit: RMB

Item	2024 Mid-year											
	Share Capital	Other equity instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	Undistributed Profit	Others	Total Owners' equity
	Preferred Shares	Perpetual Bonds	Others									
I. Balance at the end of prior year	543,014,987.00				4,062,479,921.40	59,962,257.01			271,507,493.50	2,266,938,327.24		7,083,978,472.13
Add: Cumulative changes of accounting policies												

Error correction of prior period												
Others												
II. Opening Balance of Current Year	543,014,987.00				4,062,479,921.40	59,962,257.01			271,507,493.50	2,266,938,327.24		7,083,978,472.13
III. Current Period Increase (Decrease Is Expressed with "-")	332,800.00				11,122,176.00	30,565,896.79				10,717,232.53		-8,393,688.26
i. Total comprehensive income										334,995,621.73		334,995,621.73
ii. Capital contributed or withdrawn by owners	332,800.00				11,122,176.00							-11,454,976.00
1. Ordinary shares contributed by owners	332,800.00				11,122,176.00							-11,454,976.00
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others												
iii. Profit distribution										-324,278,389.20		-324,278,389.20
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners (or shareholders)										-324,278,389.20		-324,278,389.20
3. Others												
iv. Internal carry-over within equity												
1. Transfer of capital reserve to capital (or share capital)												
2. Transfer of surplus reserve to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
v. Special reserve												
1. Appropriation of current period												
2. Application of current period												
vi. Others												-30,565,896.79
IV. Closing Balance of Current Period	543,347,787.00				4,073,602,097.40	90,528,153.80			271,507,493.50	2,277,655,559.77		7,075,584,783.87

Previous period

Unit: RMB

Item	2023 Mid-year											
	Share Capital	Other Equity Instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	Undistributed Profit	Others	Total Owners' equity
		Preferred Shares	Perpetual Bonds	Others								
I. Balance at the end of prior year	512,772,787.00	0.00	0.00	0.00	2,585,027,502.86		0.00	0.00	256,386,393.50	1,845,636,750.03		5,199,823,433.39
Add: Cumulative changes of accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Error correction of prior period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Opening Balance of Current Year	512,772,787.00	0.00	0.00	0.00	2,585,027,502.86	0.00	0.00	0.00	256,386,393.50	1,845,636,750.03		5,199,823,433.39
III. Current Period Increase (Decrease Is Expressed with "-")	28,679,000.00	0.00	0.00	0.00	1,448,163,181.35	0.00	0.00	0.00	0.00	64,751,711.67		1,541,593,893.02
i. Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	335,477,605.17		335,477,605.17
ii. Capital contributed or withdrawn by owners	28,679,000.00	0.00	0.00	0.00	1,448,163,181.35	0.00	0.00	0.00	0.00	0.00		1,476,842,181.35
1. Ordinary shares contributed by owners	28,679,000.00	0.00	0.00	0.00	1,428,893,461.35		0.00	0.00	0.00	0.00		1,457,572,461.35
2. Capital contributed by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
3. Amount of share-based payment included in equity	0.00	0.00	0.00	0.00	19,269,720.00	0.00	0.00	0.00	0.00	0.00		19,269,720.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
iii. Profit distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-270,725,893.50		-270,725,893.50
1. Appropriation of surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. Appropriation of profit to owners (or shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-270,725,893.50		-270,725,893.50
3. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
iv. Internal carry-over within equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. Transfer of capital reserve to capital (or share capital)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. Transfer of surplus reserve to capital (or share capital)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
3. Surplus reserve to cover losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
4. Changes in defined benefit plan carried over to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
5. Other comprehensive income carried over to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
6. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
v. Special reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
1. Appropriation of current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
2. Application of current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
vi. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00

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

Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as the "Company"), a limited liability company by shares, was transformed from a limited liability company. It was registered at the Administration for Industry and Commerce of Yangzhou, Jiangsu on August 2, 2006, and obtained a corporate business license with registration code numbered Q.H.S.Y.Z.Z. No. 003428. Taking February 28, 2011 as the benchmark date, the Company was transformed into a limited liability by shares on an integral basis and was registered at the Administration for Industry and Commerce of Yangzhou, Jiangsu on April 18, 2011. Headquartered in Yangzhou City, Jiangsu Province, the Company currently holds a business license with unified social credit code of 913210007908906337, and has registered capital of RMB543,014,987, with total share of 543,014,987 shares (each with par value of RMB1) and paid-up capital of RMB543,347,787.00, RMB332,800.00 from the registered capital due to the failure to complete the industrial and commercial registration and share registration of the exercise of the second category of restricted shares with the industrial and commercial administration. Of these shares, 1,121,552 are restricted outstanding A shares, and 541,893,435 are unrestricted outstanding A shares. The Company's shares were listed on the Shenzhen Stock Exchange on January 23, 2014.

The Company belongs to electronic components manufacturing industry and is mainly engaged in R&D, manufacturing and sales of discrete semiconductor products such as semiconductor components, semiconductor chips and semiconductor silicon wafers.

This financial statement was approved and authorized for issue by the 10th meeting of the fifth session of the Board of Directors dated August 21, 2024.

IV. Preparation Basis of the Financial Statement

1. Preparation basis

The financial statements have been prepared on the basis of going concern.

2. Continued operations

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the balance sheet date.

V. Significant Accounting Policies and Estimates

Notes to specific accounting policies and estimates:

The following disclosures have covered specific accounting policies and estimates developed by the Company in line with the features of its practical production and operations.

1. Statement of compliance with the Chinese Accounting Standards for Business Enterprises (CASBE)

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, financial performance and cash flows of the Company.

2. Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

3. Operating cycle

The Company has a relatively short operating cycle for its business, and an asset or a liability is classified as current if it is expected to be realized or due within 12 months.

4. Functional currency

The functional currency of the Company and its domestic subsidiaries is Renminbi (RMB), while the functional currency of subsidiaries engaged in overseas operations including Micro Commercial Components Corporation (MCC USA) and MCC Semiconductor Co., Ltd. (MCC Taiwan) is the currency of the primary economic environment in which they operate.

5. Determination method and selection basis for importance criteria

Applicable Not applicable

Item	Materiality Criteria
Significant accounts receivable of bad debt provision withdrawn by single item	The Company identifies accounts receivable with a single account receivable amount exceeding 0.5% of the total assets as significant accounts receivable.
Significant write-off of accounts receivables	The Company identifies accounts receivable with a single account receivable amount exceeding 0.5% of the total assets as significant accounts receivable.
Significant prepayment aged over one year	The Company identifies prepayments with a single prepayment amount exceeding 0.5% of the total assets as significant prepayments.
Significant construction in progress	The Company identifies constructions in progress with an amount of single construction in progress exceeding 0.5% of the total assets as significant constructions in progress.
Significant cash flow from investing activity	The Company identifies cash flows from investing activities exceeding 10.00% of the total assets as significant cash flows from investing activities.
Significant subsidiary and non-wholly-owned subsidiary	The Company identifies subsidiaries whose total assets/total revenue/total profit exceed 15% of the Group's total assets/total revenue/total profit as significant subsidiaries and non-wholly-owned subsidiaries.
Significant associates	The Company identifies associated enterprises whose total profits exceed 15% of the Group's total profits as significant associates.
Significant commitments	The Company identifies commitments with a single commitment amount exceeding 0.5% of the total assets as significant commitments.
Significant contingency	The Company identifies commitments with a single contingency amount exceeding 0.5% of the total assets as significant contingencies.
Significant events after the balance sheet date	The Company identifies commitments with an amount of single event after the balance sheet date exceeding 0.5% of the total assets as significant events after the balance sheet date.

6. Accounting treatment methods for business combination involving entities under and not under common control

(1) Accounting treatment method for business combination involving entities under common control

The Company's assets and liabilities acquired from business combinations will be measured according to the carrying amount of the acquiree in the consolidated financial statement of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the acquiree included in the consolidated financial statements of the ultimate controlling party and

that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) Accounting treatment method for business combination involving entities not under common control

When the combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized by the Company as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities obtained from the acquiree, and the measurement of the combination cost are reviewed, then the difference is included in current profit or loss.

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

(1) Judgment criteria for control

Those who have power over the investee, enjoy variable returns through participating in the relevant activities of the investee, and have the ability to use their power over the investee to influence the amount of their variable returns, are identified as control.

(2) Preparation methods for consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries and are prepared by the parent company according to other relevant information and *CASBE No. 33 - Consolidated Financial Statements*.

8. Recognition criteria of cash and cash equivalents

Cash listed in the cash flow statement refers to cash on hand and reserves always available for payment. Cash equivalents refer to investments that are held for a short term, highly liquid, and readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

9. Conversion of transactions denominated in foreign currency and foreign currency financial statement conversion

(1) Conversion of transactions denominated in foreign currency

Transactions denominated in foreign currency are converted into RMB at the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, the foreign monetary items are converted at the spot exchange rate at the balance sheet date, and the exchange difference arising from exchange rate difference, except for the exchange difference arising from principal and interest of foreign currency special borrowings relating to purchasing assets satisfying capitalization conditions, is included in current profit or loss; the foreign non-monetary items measured at historical cost are still converted at the spot exchange rate at the transaction date, and its RMB amount will not be changed; the foreign non-monetary items measured at fair value are converted at the spot exchange rate at the fair value determination date, and the difference is included in current profit or loss or other comprehensive income.

(2) Foreign currency financial statement conversion

The assets and liabilities in the balance sheet are converted at the spot exchange rate at the balance sheet date; the equity items, other than undistributed profit, are converted at the spot exchange rate at the transaction date; the incomes and expenses in the income statement are converted at the spot exchange rate at the transaction date. The foreign currency financial statement conversion difference arising from the aforementioned translation is included in other comprehensive income.

10. Financial instruments

(1) Classification of financial assets and financial liabilities

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

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

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

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

A financial instrument is recognized as an asset or liability when the Company becomes a party thereto. The financial assets and financial liabilities initially recognized are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, if the accounts receivable initially recognized by the Company do not include material financing component or the financing component in the contract less than one year and not considered by the Company, the initial measurement is done according to the transaction price defined in *CASBE No. 14 - Incomes*.

2) Subsequent measurement method of financial assets

a) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

b) Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

c) Equity instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) are included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

d) Financial assets measured at fair value through profit and loss for the current period

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

3) Subsequent measurement of financial liabilities

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. Such financial liabilities are subsequently measured at fair value. The amount of changes in the fair value of the financial liabilities designated as at fair value through profit or loss that are attributable to changes in the Company's own credit risk is included into other comprehensive income, unless such treatment will create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) are included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

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

They are measured according to the relevant provisions of *CASBE No. 23 - Transfer of Financial Assets*.

c) Financial guarantee contracts not falling within the above categories a and b, and commitments to provide a loan at a below-market interest rate, which do not fall within the above category a)

They are subsequently measured at the higher of the following two amounts after initial recognition: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized according to the relevant provisions of *CASBE No. 14 - Revenues*.

d) Financial liabilities at amortized cost

Such financial liabilities are measured at amortized cost using the effective interest method. Gains or losses arising from a financial liability measured at amortized cost which does not form part of any hedging relationship are recorded in current profit or loss at the time of derecognition or amortization according to the effective interest method.

4) Derecognition of financial assets and financial liabilities

a) The financial assets meeting any one of the following conditions will be derecognized:

a. The contractual rights to the cash flows from the financial assets expire; or

b. The financial assets have been transferred and the transfer qualifies for derecognition according to *CASBE No. 23 - Transfer of Financial Assets*.

b) When the prevailing obligations of the financial liabilities (or a part thereof) have been terminated, the financial liabilities (or the part thereof) will be derecognized accordingly.

(3) Recognition criteria and measurement method of financial assets transfer

If the Company has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, and the right and obligation arising from or retained in the transfer

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

If the transfer of an entire financial asset qualifies for derecognition, the difference between the following two amounts is included in profit or loss: 1) the carrying amount of the transferred financial asset at the derecognition date; 2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the derecognized financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If a part of the financial asset has been transferred and the transfer qualifies for derecognition, the entire carrying value of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the following two amounts is included into profit or loss: 1) the carrying amount of the portion which is derecognized; 2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

(4) Fair value determination method of financial assets and financial liabilities

The Company applies valuation techniques that are applicable in the current situation and are supported by sufficient available data and other information to determine the fair value of relevant financial assets and financial liabilities. The Company classifies the inputs of valuation techniques into the following levels and applies them accordingly:

- 1) Level I inputs are the unadjusted price quoted in the active market of the same assets or liabilities which can be obtained at the measurement date;
- 2) Level II inputs are the directly or indirectly observable inputs of the related assets or liabilities, other than Level I inputs, including: the quoted price of similar assets or liabilities in the active market; the quoted price of the same or similar assets or liabilities in the non-active market; other observable inputs than the aforementioned quoted prices, such as observable interest rate and yield curve during normal quotation intervals; inputs validated in the market, etc.;
- 3) Level III inputs are the non-observable inputs of the related assets or liabilities, including the interest rate which are not directly observable or not validated by observable market data, stock fluctuation ratio, future cash flow of the retirement obligations undertaken in business combination, financial forecast made by using its own data, etc.

(5) Impairment of financial instruments

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, contract assets, leases receivable, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

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

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

For lease receivables and contract assets resulting from transactions regulated in *CASBE No. 14 - Revenues*, the Company chooses a simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

(6) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: 1) currently has a legally enforceable right to set off the recognized amounts; and 2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability.

11. Accounts receivable

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

Group Type	Basis for Determination of the Group	Method for Measuring Expected Credit Loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable – grouped by age	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and lifetime expected credit loss rate of accounts receivable to calculate expected credit loss.
Other receivables – grouped by age	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Contract assets - quality guarantee deposit group	Nature	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.

(2) Comparison table of ages and expected credit loss rate of the group by age

Ages	Accounts receivable Expected Credit Loss Rate (%)	Other Receivables Expected Credit Loss Rate (%)
Within one year (inclusive, the same below)	5.00	5.00
One to two years	10.00	10.00
Two to three years	50.00	50.00
Above three years	100.00	100.00

Ages of accounts receivable and other receivables shall start from the month in which the payment actually occur.

(3) The identification criteria for accounts receivables and contract assets with expected credit losses withdrawn by single item

For accounts receivables and contract assets whose credit risk is significantly different from that of the group credit risk, the Company shall make provision for expected credit losses by single item.

12. Contract assets

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

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

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

13. Inventory

(1) Classification of inventories

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

(2) Accounting method for dispatching inventories

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

(3) Inventory system

Perpetual inventory method is adopted.

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

1) Low-value consumables

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

2) Packing materials

Packages are amortized with one-off method.

(5) Provision for inventory write-down

At the balance sheet date, inventories are measured at the lower cost and net realizable value; provisions for inventory write-down are made on the excess of the cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of materials to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value are determined separately and are compared with their costs to set the provision for inventory write-down to be made or reversed.

14. Long-term equity investment

(1) Judgment criteria for 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 the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

(2) Determination of investment cost

1) For business combination under common control, if the combining party considers that it makes payment in cash, transfers non-cash assets, assumes its liabilities, or issues equity securities on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is "a bundled transaction". If it is "a bundled transaction", stages as a whole are considered as one transaction resulting in acquisition of control in accounting treatment. If it is not "a bundled transaction", on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2) For business combinations not under common control, the fair value of the combination consideration paid by it on the acquisition date shall be its initial investment cost.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determines whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

a) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

b) In the case of consolidated financial statements, the Company determines whether it is "a bundled transaction". If it is "a bundled transaction", stages as a whole are considered as one transaction resulting in acquisition of control in accounting treatment. If it is not "a bundled transaction", the carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer's previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

3) Except for business combination: If it is acquired by paying cash, the actual acquisition price shall be taken as its initial investment cost; if it is acquired by issuing equity securities, the fair value of the issued equity securities shall be taken as its initial investment cost; if it is acquired by means of debt restructuring, the initial investment cost shall be determined according to *CASBE No. 12 - Debt Restructuring*; if it is acquired by exchange of non-monetary assets, the initial investment cost shall be determined according to *CASBE No. 7 - Exchange of Non-monetary Assets*.

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

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

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

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

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

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

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

a) Stand-alone financial statements

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

b) Consolidated financial statements

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

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

3) Accounting treatment of "bundled transaction"

a). Stand-alone financial statements

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

b). Consolidated financial statements

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

15. Investment property

Measurement model for investment property

Not applicable

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

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

(2) Depreciation method

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

17. Construction in progress

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

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

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

18. Borrowing costs

(1) Recognition principles for the capitalization of borrowing costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

(2) Period for capitalization of borrowing costs

1) When all the following conditions are met by the borrowing costs, capitalization will start: a) asset expenditure has occurred; b) borrowing costs have occurred; c) acquisition, construction or production activities have started in order to make the fixed asset be ready for the intended use or sale.

2) If the acquisition, construction or production of an asset eligible for capitalization is continuously suspended for over three months for abnormal reasons, capitalization of the borrowing costs shall be suspended; borrowing costs incurred during the suspension shall be recognized as the current expenses until the acquisition, construction or production of the asset is resumed.

3) When the assets with the purchase, construction or production meeting the capitalization conditions reach the expected available or marketable state, the borrowing cost ceases to be capitalized.

(3) Capitalization rate and capitalization amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interest is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements less the general borrowing by the capitalization rate of the general borrowing used.

19. Intangible assets

(1) Useful life and its determination base, estimated situation, amortization method and review procedure

1) Intangible assets, including land use rights, patent rights and proprietary technology, are initially measured at cost.

2) For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably; if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method. Details are as follows:

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

(2) Scope of R&D expenditure and related accounting treatment methods

1) Scope of R&D expenditure

a) Personnel and labor expenses

Personnel and labor expenses include the wages and salaries, basic endowment insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund of the Company's R&D personnel, as well as the labor costs of outsourcing R&D personnel.

If R&D personnel serve multiple R&D projects simultaneously, the labor cost shall be recognized based on the time records of R&D personnel provided by the Company's management department, and be allocated proportionally between different R&D projects.

b) Direct input expenses

Direct input expenses refer to the related expenses actually incurred by the Company for implementing R&D activities. Including: a) Costs for direct consumption of materials, fuel, and power; b) Development and manufacturing costs of molds and technological equipment for intermediate tests and trial production, purchase costs for samples, prototypes and general testing methods that do not constitute fixed assets, and the inspection costs of trial production products; c) Expenses for the operation and maintenance, adjustment, inspection, testing, and repair of instruments and equipment used for R&D activities.

c) Depreciation expenses and long-term prepayments

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

Long-term prepayments refer to the long-term prepayments incurred during the renovation, refitting, decoration, and repair process of R&D facilities, which are collected based on actual expenses and amortized evenly over a specified period of time.

d) Amortization expenses of intangible assets

Amortization expenses of intangible assets refers to the amortization expenses of software, intellectual property, non-patented technology (proprietary technology, licenses, design and calculation methods, etc.) used for R&D activities.

e) Design costs

Design costs refer to costs incurred in conceptualizing, developing, and manufacturing new products and processes, and the design of processes, technical specifications, regulations, and operational characteristics, including related costs incurred in creative design activities to obtain innovative, creative, and breakthrough products.

f). Commissioned R&D expenses

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

g) Other expenses

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

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

20. Impairment of long-term assets

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

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

21. Long-term prepayments

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

22. Contract liabilities

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

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

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

23. Employee benefits

(1) Accounting treatment of short-term compensation

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment of termination benefits

The Company classifies termination benefit plans as either defined contribution plans or defined benefit plans.

1) The Company recognizes, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

2) Accounting treatment by the Company for a defined benefit plan usually involves the following steps:

a) Based on the projected unit credit method, the Company estimates related demographic variables and financial variables with unbiased and mutually compatible actuarial assumptions, measures the obligations under the defined benefit plan, and determines the terms of the relevant obligations. Meanwhile, the Company discounts the obligations under the defined benefit plan to determine the present value of the obligations under the defined benefit plan and the service cost in the period concerned.

b) When there are assets under a defined benefit plan, the deficit or surplus formed by present value of obligations under the defined benefit plan minus the fair value of assets under the defined benefit plan is recognized as one net liability or net asset under the defined benefit plan. When there is a surplus under a defined benefit plan, the Company measures the net assets under the defined benefit plan by whichever is lower of the surplus under the defined benefit plan or the asset ceiling;

c) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a) service cost; b) net interest on the net defined benefit plan liability (asset); and c) changes as a result of remeasurement of the net defined benefit liability (asset). Specifically, a) and b) are recognized in profit or loss or the cost of a relevant asset, and c) is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

(3) Accounting treatment of the termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates:

1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; 2) when the Company recognizes costs or expenses relating to the restructure of payments of dismissal benefits.

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

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: (1) service

cost; (2) net interest on the net liability or net assets of other long-term employee benefits; and (3) changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

24. Share-based payment

(1) Category of share-based payments

Share-based payment consists of equity-settled share-based payment and cash-settled share-based payment.

(2) Relevant accounting processing for the implementation, modification and termination of share-based payment plans

1) Equity-settled share-based payments

For equity-settled share-based payment transactions with employees, if the equity instruments granted vest immediately, the fair value of those equity instruments is measured at grant date and recognized as transaction cost or expense, with a corresponding adjustment in capital reserve; if the equity instruments granted do not vest until the counterparty completes a specified period of service, at the balance sheet date within the vesting period, the fair value of those equity instruments measured at grant date based on the best estimate of the number of equity instruments expected to vest is recognized as transaction cost or expense, with a corresponding adjustment in capital reserve.

For equity-settled share-based payment transactions with parties other than employees, if the fair value of the services received can be measured reliably, the fair value is measured at the date the Company receives the service; if the fair value of the services received cannot be measured reliably, but that of equity instruments can be measured reliably, the fair value of the equity instruments granted measured at the date the Company receives the service is referred to, and recognized as transaction cost or expense, with a corresponding increase in equity.

2) Cash-settled share-based payments

For cash-settled share-based payment transactions with employees, if share appreciation rights vest immediately, the fair value of the liability incurred as the acquisition of services is measured at grant date and recognized as transaction cost or expense, with a corresponding increase in liabilities; if share appreciation rights do not vest until the employees have completed a specified period of service, the liability is measured, at each balance sheet date until settled, at the fair value of the share appreciation rights measured at grant date based on the best estimate of the number of share appreciation right expected to vest.

3) Modification and termination of share-based payment plans

If the modification increases the fair value of the equity instruments granted, the Company includes the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted; similarly, if the modification increases the number of equity instruments granted, the Company includes the fair value of the additional equity instruments granted, in the measurement of the amount recognized for services received as consideration for the equity instruments granted; if the Company modifies the vesting conditions in a manner that is beneficial to the employee, the Company takes the modified vesting conditions into account.

If the modification reduces the fair value of the equity instruments granted, the Company does not take into account that decrease in fair value and continue to measure the amount recognized for

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

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

25. Revenue

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

(1) Principles for revenue recognition

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

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

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To decide whether the customer has obtained the control over goods, the Company takes into account the following signs: 1) the Company has a present right to payments for the goods, i.e., the customer is presently obliged to pay for the goods; 2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; 3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; 4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; 5) the customer has accepted the goods; 6) other evidence indicating the customer has obtained control over the goods.

(2) Principles for revenue measurement

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

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

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

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

(3) Specific methods for revenue recognition

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

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

None

26. Contract costs

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

If the costs incurred in fulfilling a contract are not within the scope of standards related to inventories, fixed assets or intangible assets, the Company shall recognize the costs to fulfill a contract as an asset if all the following criteria are satisfied:

(1) The costs relate directly to a contract or to an anticipated contract, including direct labor, direct materials, manufacturing overhead cost (or a similar cost), cost that are explicitly chargeable to the customer under the contract, and other costs that are only related to the contract;

(2) The costs enhance resources of the Company that will be used in satisfying performance obligations in the future;

(3) The costs are expected to be recovered.

An asset related to contract costs shall be amortized on a systematic basis that is consistent with related goods or services, with amortization included into profit or loss.

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

27. Government grants

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

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

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

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

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

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

(5) Accounting treatment method for policy interest subvention

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

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

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

28. Deferred tax assets/deferred tax liabilities

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

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

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

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

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

29. Leases

(1) Accounting treatment for leases as the lessee

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

For all short-term leases and leases of low-value assets, lease payments are recognized as cost or profit or loss with straight-line method/units-of-production method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement date.

1) Right-of-use asset

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

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

2) Lease liabilities

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

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

(2) Accounting treatment of leases as the lessor

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

1) Operating lease

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

2) Financial lease

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

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

30. Other significant accounting policies and estimates

Operating segments are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

- (1) that engages in business activities from which it may earn revenues and incur expenses;
- (2) of which the financial performance is regularly reviewed by the Management to make decisions about resources to be allocated to the segment and to assess its performance; and
- (3) for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

31. Significant changes in accounting policies and estimates

(1) Significant changes in accounting policies

Applicable Not applicable

(2) Significant changes in accounting estimates

Applicable Not applicable

(3) Information on the items involved in the first implementation of the year-beginning financial statement after the first implementation of the adjustments in the new accounting standards in 2023

Applicable Not applicable

VI. Taxes

1. Main taxes and tax rates

Tax	Tax Basis	Tax Rate
VAT	Revenue from sales of goods and taxable services calculated according to the tax law are the basis calculation of output tax. After deducting the amount of input tax which is allowed to be deducted in the current period, the difference is the VAT payable.	13%; The export tax rebate rate is 13%
Urban maintenance and construction tax	Turnover tax actually paid	7%, 5%
Enterprise income tax	Amount of taxable income	15%, 20%, 25%
Property tax	Housing property is levied at 1.2% of the remaining value after deducting 30% from the original value of the housing property; and tax levied from rent is levied at 12% of the rental income.	1.2%, 12%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%

Explanation of disclosure if different income tax rates apply to different corporate taxpayers

Name of Taxpayer	Income Tax Rate
The Company, Chengdu Qingyang Electronic Material Co., Ltd.,	15%

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

2. Tax incentives

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

(2) Pursuant to the *Announcement on Record of the Second Batch of High-tech Enterprises Accredited by the Accreditation Authority in Sichuan Province in 2022* by the National High-tech Enterprise Accreditation Management Leading Group, subsidiaries Chengdu Qingyang and Sichuan Yajixin were accredited as a high-tech enterprise with a valid period from 2022 to 2024. In the current period, it was subject to a tax rate of 15% for enterprise income tax.

(3) Pursuant to the *Announcement on List of the Fourth Batch of Accredited High-tech Enterprises in Jiangsu Province in 2021* by the National High-tech Enterprise Accreditation Management Leading Group, the subsidiary J&V Semiconductor was accredited as a high-tech enterprise with a valid period from 2021 to 2023. In the current period, it was subject to a tax rate of 15% for enterprise income tax.

(4) Pursuant to the *Notice on Publicity of Record-filing of the Fourth Batch of High-tech Enterprises in Jiangsu Province in 2022* by the National High-tech Enterprise Accreditation Management Leading Group, the subsidiaries, Jiangsu Runau and Yixing Jiexin, were accredited as high-tech enterprises with a valid period from 2022 to 2024. In the current period, it was subject to a tax rate of 15% for enterprise income tax.

(5) Pursuant to the *Announcement on Record of the First Batch of High-tech Enterprises Accredited by the Accreditation Authority in Jiangsu Province in 2023* by the National High-tech Enterprise Accreditation Management Leading Group, the subsidiary Sihong Hongxin was accredited as a high-tech enterprise with a valid period from 2023 to 2025. In the current period, it was subject to a tax rate of 15% for enterprise income tax.

(6) Pursuant to the *Notice on Publicity of Record-filing of the Second Batch of High-tech Enterprises Accredited by the Accreditation Authority in Hunan Province in 2022* by the National High-tech Enterprise Accreditation Management Leading Group, the subsidiary Hunan Jiechuwei was accredited as a high-tech enterprise with a valid period from 2022 to 2024. In the current period, it was subject to a tax rate of 15% for enterprise income tax.

(7) Pursuant to the *Announcement on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement of the Ministry of Finance and State Taxation Administration [2023] No. 12) of the Ministry of Finance and the State Taxation Administration *on Further Implementing the Income Tax Preferential Policy for Small- and Micro-sized Enterprises*, the part of the annual taxable income of small-sized micro-profit enterprises that is less than RMB3 million is subject to reduced rate of 25%

and a tax rate of 20% for enterprise income tax. The subsidiaries, MCC Jiangsu, Yangzhou Jiemei, Shanghai Xinyang, Shanghai Lingxin, Wuxi Lingxin, Wuxi Jiexiwei and Hangzhou E-Giant, are small- and micro-sized enterprises, and may enjoy the above preferential policies for enterprise income tax from January 1, 2023 to December 31, 2027. They met the conditions for small- and micro-sized enterprises in 2024, and enjoyed the above preferential policies for enterprise income tax.

(8) Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 43), advanced manufacturing enterprises are allowed to credit the amount of input tax creditable in the current period plus 5% thereof against the amount of tax payable. The subsidiaries, J&V Semiconductor Company, Sihong Hongxin Company, Chengdu Qingyang Company, Yixing Jiexin Company, Jiangsu Runau Company and Sichuan Yajixin Company, are advanced manufacturing enterprises. In accordance with the above preferential policies, the advanced manufacturing enterprises shall credit the amount of input tax for the current year plus 5% thereof against the amount of tax payable.

(9) Pursuant to the Notice by the Ministry of Finance and the State Taxation Administration of the Additional Value-Added Tax Credit Policy for Integrated Circuit Enterprises (the Ministry of Finance and the State Taxation Administration [2023] No. 17), an IC design, production, packaging and testing, equipment, or material enterprise (hereinafter referred to as an "IC enterprise") is allowed to credit the amount of input tax creditable in the current period plus 15% thereof against the amount of tax payable. The Company and Hunan Jiechuwei are IC enterprises, and in accordance with the above preferential policies, shall credit the amount of input tax for the current year plus 15% thereof against the amount of tax payable.

3. Others

Nine overseas subsidiaries of the Company are subject to local tax policies.

VII. Notes to Items of Consolidated Financial Statements

1. Monetary assets

Unit: RMB

Item	Closing Balance	Opening Balance
Cash on hand	1,580.91	684.88
Bank deposits	3,837,066,014.92	3,517,655,902.76
Other monetary assets	1,822,604.61	581,474.92
Total	3,838,890,200.44	3,518,238,062.56
Of which: Total amount deposited overseas	949,569,288.37	942,275,295.07

Other notes

2. Held-for-trading financial assets

Unit: RMB

Item	Closing Balance	Opening Balance
Financial assets at fair value through profit or loss for the current period	30,574,630.45	41,785,067.71
Of which:		

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

Other notes:

3. Notes receivable

(1) Notes receivable listed by category

Unit: RMB

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

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

Unit: RMB

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

Names of types of bad debt provision withdrawn by group:

Unit: RMB

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

Notes to the determination basis for the group:

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

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

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

Applicable Not applicable

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

Unit: RMB

Item	Closing Pledged Amount

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

Unit: RMB

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

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

Unit: RMB

Item	Written-off Amount

Of which, the verification of significant notes receivable:

Unit: RMB

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

Notes of the verification of notes receivable

4. Accounts receivable

(1)

Disclosure by aging

Unit: RMB

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

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

Unit: RMB

Type	Closing Balance					Opening Balance				
	Carrying Balance		Bad Debt Provision		Carrying Amount	Carrying Balance		Bad Debt Provision		Carrying Amount
	Amount	Percentage	Amount	Withdrawal Proportion		Amount	Percentage	Amount	Withdrawal proportion	
Accounts receivable of bad debt provision withdrawn by single item	1,601,385.53	0.09%	1,601,385.53	100.00%		1,587,601.36	0.10%	1,587,601.36	100.00%	
Of which:										
Accounts receivable of bad debt provision withdrawn by group	1,763,693,924.33	99.91%	88,611,690.01	5.02%	1,675,082,234.32	1,595,583,947.16	99.90%	80,004,483.92	5.01%	1,515,579,463.24
Of which:										
Total	1,765,295,309.86	100.00%	90,213,075.54	5.11%	1,675,082,234.32	1,597,171,548.52	100.00%	81,592,085.28	5.11%	1,515,579,463.24

Bad debt provision withdrawn by single item:

Unit: RMB

Name	Opening Balance		Closing Balance			
	Carrying Balance	Bad Debt Provision	Carrying Balance	Bad Debt Provision	Withdrawal Proportion	Reason for Accrual
Receivables with provision made by single item	1,587,601.36	1,587,601.36	1,601,385.53	1,601,385.53	100.00%	
Total	1,587,601.36	1,587,601.36	1,601,385.53	1,601,385.53		

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

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Within one year	1,757,367,017.98	87,868,350.88	5.00%
One to two years	6,178,746.91	617,874.69	10.00%
Two to three years	45,390.00	22,695.00	50.00%
Above three years	102,769.44	102,769.44	100.00%

Total	1,763,693,924.33	88,611,690.01
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Notes to the determination basis for the group:

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

Type	Opening Balance	Changes in the Current Period				Closing Balance
		Withdrawal	Reversed or Recovered	Written off	Others	
Bad debt provision withdrawn by single item	1,587,601.36				13,784.17	1,601,385.53
Bad debt provision withdrawn by group	80,004,483.92	9,652,097.96	60,123.61	1,105,015.48		88,611,690.01
Total	81,592,085.28	9,652,097.96	60,123.61	1,105,015.48	13,784.17	90,213,075.54

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

Unit: RMB

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

(4) Accounts receivable with actual verification in current period

Unit: RMB

Item	Written-off Amount
Accounts receivable with actual write-off	1,105,015.48

Of which the verification of significant accounts receivable:

Unit: RMB

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

Notes to verification of accounts receivable:

(5) Top 5 of the closing balance of the accounts receivable and contract assets collected according to arrears party

Unit: RMB

Entity	Closing Balance	Closing Balance of Contract Assets	Closing Balance of the Accounts Receivable and Contract Assets	Proportion to Total Closing Balance of the Accounts Receivable and Contract Assets	Closing Balance of Bad Debt Provision for Accounts Receivable and Provision for Impairment for Contract Assets
No. 1	119,476,390.84		119,476,390.84	6.77%	5,973,819.54
No. 2	104,988,803.57		104,988,803.57	5.95%	5,249,440.18
No. 3	65,584,288.72		65,584,288.72	3.71%	3,279,214.44
No. 4	43,271,884.26		43,271,884.26	2.45%	2,163,594.21
No. 5	38,908,832.00		38,908,832.00	2.20%	1,945,441.60
Total	372,230,199.39		372,230,199.39	21.08%	18,611,509.97

5. Contract assets (1) List of contract assets

Item	Closing Balance			Opening Balance		
	Carrying Balance	Bad Debt Provision	Carrying Amount	Carrying Balance	Bad Debt Provision	Carrying Amount
Quality guarantee deposit receivable	726,169.89	36,308.49	689,861.40	1,694,306.70	84,715.34	1,609,591.36
Total	726,169.89	36,308.49	689,861.40	1,694,306.70	84,715.34	1,609,591.36

(2) Significant changes in the carrying amount and the reason in the Reporting Period

Unit: RMB

Item	Change in Amount	Reason(s)
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(3) Disclosure by classification according to bad debt provision method

Unit: RMB

Type	Closing Balance					Opening Balance				
	Carrying Balance		Bad Debt Provision		Carrying Amount	Carrying Balance		Bad Debt Provision		Carrying Amount
	Amount	Percentage	Amount	Withdrawal Proportion		Amount	Percentage	Amount	Withdrawal Proportion	
Of which:										
Bad debt provision withdrawn by group	726,169.89	100.00%	36,308.49	5.00%	689,861.40	1,694,306.70	100.00%	84,715.34	5.00%	1,609,591.36
Of which:										
Total	726,169.89	100.00%	36,308.49	5.00%	689,861.40	1,694,306.70	100.00%	84,715.34	5.00%	1,609,591.36

Number of the types of bad debt provision withdrawn by group: 1

Name of the type of bad debt provision withdrawn by group: Quality guarantee deposit group

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion

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

Notes to the determination basis for the group:

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

Applicable Not applicable

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

Unit: RMB

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

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

Unit: RMB

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

Other notes:

(5) Contract assets with actual write-off in the current period

Unit: RMB

Item	Written-off Amount

Of which, the write-off of significant contract assets

Unit: RMB

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

Notes for write-off of contract assets

Other notes:

6. Receivables financing

(1) Receivables financing listed by category

Unit: RMB

Item	Closing Balance	Opening Balance
Bank receivable	167,514,616.96	217,717,753.23
Total	167,514,616.96	217,717,753.23

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

Unit: RMB

Type	Closing Balance					Opening Balance				
	Carrying Balance		Bad Debt Provision		Carrying Amount	Carrying Balance		Bad Debt Provision		Carrying Amount
	Amount	Percentage	Amount	Withdrawal Proportion		Amount	Percentage	Amount	Withdrawal Proportion	
Of which:										
Bad debt provision withdrawn by group	167,514,616.96	100.00%	0.00	0.00%	167,514,616.96	217,717,753.23	100.00%	0.00	0.00%	217,717,753.23
Of which:										
Bank acceptance receivable	167,514,616.96	100.00%	0.00	0.00%	167,514,616.96	217,717,753.23	100.00%	0.00	0.00%	217,717,753.23
Total	167,514,616.96	100.00%	0.00	0.00%	167,514,616.96	217,717,753.23	100.00%	0.00	0.00%	217,717,753.23

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

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected loss in the duration (credit impairment not incurred)	Expected loss in the duration (credit impairment incurred)	
Balance as at January 1, 2024 in the current period				

Classification basis and bad debt provision proportion for each stage

Notes of significant changes in the carrying amount of receivables financing for which provision for loss changes in the current period:

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

Unit: RMB

Type	Opening Balance	Changes in the Current Period				Closing Balance
		Withdrawal	Reversed or Recovered	Charged off or Written off	Other Changes	

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

Unit: RMB

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

Other notes:

(4) Receivables financing pledged by the Company at the period-end

Unit: RMB

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

Unit: RMB

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

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

Unit: RMB

Item	Written-off Amount
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Of which the write-off of significant receivables financing

Unit: RMB

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

(7) The changes of receivables financing in the current period and the changes in fair value

(8) Other notes

Due to the fact that the acceptor of bank acceptance receivable is commercial banks with high credit level, there is very little possibility of failure in recoverability when it is due, so the Company derecognized bank acceptance receivable had been endorsed or discounted. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank notes is not recoverable when it is due, the Company still holds joint liability on such acceptance, according to the *China Commercial Instrument Law*.

7. Other accounts receivable

Unit: RMB

Item	Closing Balance	Opening Balance
Other receivables	17,578,808.36	12,420,738.13
Total	17,578,808.36	12,420,738.13

(1) Other receivables

1) Category of other receivables by account nature

Unit: RMB

Nature of receivables	Closing Carrying Balance	Opening Carrying Balance
Guarantee deposits	17,941,842.02	17,342,396.50
Temporary payment receivable	5,387,717.68	4,913,083.66
Prepayments for taxes of agent import customs declaration	1,591,935.63	40,524.29

Others		41,041.16
Total	24,921,495.33	22,337,045.61

2) Disclosure by ages

Unit: RMB

Ages	Closing Carrying Balance	Opening Carrying Balance
Within one year (inclusive)	15,740,630.10	11,941,093.71
One to two years	2,445,515.87	973,121.26
Two to three years	848,491.00	401,780.00
Above three years	5,886,858.36	9,021,050.64
Three to four years	5,886,858.36	9,021,050.64
Total	24,921,495.33	22,337,045.61

3) Disclosure by classification according to bad debt provision methodApplicable Not applicable

Unit: RMB

Type	Closing Balance					Opening Balance				
	Carrying Balance		Bad Debt Provision		Carrying amount	Carrying Balance		Bad Debt Provision		Carrying Amount
	Amount	Percentage	Amount	Withdrawal Proportion		Amount	Percentage	Amount	Withdrawal Proportion	
Of which:										
Bad debt provision withdrawn by group	24,921,495.33	1.00%	7,342,686.97	29.46%	17,578,808.36	22,337,045.61	100.00%	9,916,307.48	44.39%	12,420,738.13
Of which:										
Total	24,921,495.33	1.00%	7,342,686.97	29.46%	17,578,808.36	22,337,045.61	100.00%	9,916,307.48	44.39%	12,420,738.13

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

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Within one year	15,740,630.11	787,031.52	5.00%
One to two years	2,445,515.87	244,551.59	10.00%
Two to three years	848,491.00	424,245.50	50.00%
Above three years	5,886,858.36	5,886,858.36	100.00%
Total	24,921,495.33	7,342,686.97	

Notes to the determination basis for the group:

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

Unit: RMB

Bad Debt Provision	Stage 1	Stage 2	Stage 3	Total
	Expected Credit Loss in the Next 12 Months	Expected Loss in the Duration (Credit)	Expected Loss in the Duration (credit)	

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

Classification basis and bad debt provision proportion for each stage

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

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

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

Unit: RMB

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

5) Other receivables with actual verification in the current period

Unit: RMB

Item	Written-off Amount

Of which the verification of significant other receivables:

Unit: RMB

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

Notes to the verification of other receivables:

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

Unit: RMB

Entity	Nature	Closing balance	Ages	Proportion to Total Closing Balance of Other Receivables	Closing Balance of Bad Debt Provision
No. 1	Guarantee deposits	34,560.00	Within one year	0.14%	1,728.00
No. 1	Guarantee deposits	950,000.00	One to two years	3.81%	95,000.00
No. 1	Guarantee deposits	130,000.00	Two to three years	0.52%	65,000.00
No. 1	Guarantee deposits	1,800,000.00	Above three years	7.22%	1,800,000.00
No. 2	Guarantee deposits	2,000,000.00	Above three years	8.03%	2,000,000.00
No. 3	Guarantee deposits	1,722,660.63	Above three years	6.91%	86,133.03
No. 4	Guarantee deposits	1,591,935.63	Within one year	6.39%	79,596.78
No. 4	Prepayments for taxes of agent import customs declaration	1,337,000.00	Within one year	5.36%	66,850.00
Total	Guarantee deposits	9,566,156.26	Within one year	38.39%	4,194,307.81

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

Unit: RMB

Other notes:

8. Prepayment

(1) Prepayment listed by aging

Unit: RMB

Ages	Closing Balance		Opening Balance	
	Amount	Percentage	Amount	Percentage
Within one year	25,742,521.10	82.92%	53,961,144.78	90.40%
One to two years	3,547,305.75	11.43%	4,792,172.62	8.03%
Two to three years	669,258.95	2.16%	689,804.33	1.15%
Above three years	1,086,141.76	3.50%	250,000.00	0.42%
Total	31,045,227.56		59,693,121.73	

Notes of the reasons of the prepayment aging over one year with significant amount but failed settled in time:

(2) Top 5 of the closing balance of prepayments collected according to the prepayment target

Entity	Carrying Balance (RMB)	Proportion to the Total Balance of Prepayment (%)
No. 1	2,409,552.61	7.76
No. 2	2,153,129.40	6.94
No. 3	2,144,417.43	6.91
No. 4	1,889,236.65	6.09
No. 5	1,840,275.94	5.93
Subtotal	10,436,612.03	33.62

Other notes:

9. Inventory

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

No

(1) Category of inventory

Unit: RMB

Item	Closing Balance			Opening Balance		
	Carrying Balance	Depreciation Reserves of Inventories or Impairment Allowance for Contract performance costs	Carrying Amount	Carrying Balance	Depreciation Reserves of Inventories or Impairment Allowance for Contract performance costs	Carrying Amount
Raw materials	296,573,511.38	31,884,418.91	264,689,092.47	299,508,923.94	20,154,737.36	279,354,186.58
Goods in process	233,227,549.52	7,973,598.90	225,253,950.62	186,327,954.39	2,530,535.65	183,797,418.74
Goods on hand	640,984,535.03	36,562,252.21	604,422,282.82	713,045,818.66	51,368,440.73	661,677,377.93
Commissioned products	26,093,657.70		26,093,657.70	20,488,638.49		20,488,638.49
Total	1,196,879,253.63	76,420,270.02	1,120,458,983.61	1,219,371,335.48	74,053,713.74	1,145,317,621.74

(2) Depreciation reserves of inventory and impairment allowance for contract performance costs

Unit: RMB

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

Provision for inventory write-down withdrawn by group:

Unit: RMB

Groups	Closing			Opening		
	Closing Balance	Provision for Write-down	Withdrawal Proportion of Provision for Write-down	Opening Balance	Provision for Write-down	Withdrawal Proportion of Provision for Write-down

Withdrawal criteria for provision for inventory write-down by group

(3) Notes to the amount of capitalized borrowing cost in the closing balance of inventories**(4) Notes to the amount of contract performance costs amortized for the current period****10. Other current assets**

Unit: RMB

Item	Closing Balance	Opening Balance
Taxes to be credited	48,962,482.95	16,633,033.54
Prepayments and others	24,665,470.93	16,690,481.34
Total	73,627,953.88	33,323,514.88

Other notes:

11. Long-term equity investment

Unit: RMB

Investees	Opening Balance (Carrying Amount)	Opening Balance of Allowance for Impairment	Increase/Decrease for the Current Period								Closing Balance (Carrying Amount)	Closing Balance of Allowance for Impairment
			Investments Increased	Investments Decreased	Investment Gains and Losses Recognized under Equity Method	Adjustment of Other Comprehensive Income	Other Equity Changes	Cash Dividend/ Profit Declared for Distribution	Allowance for Impairment	Others		
I. Joint Ventures												
II. Associated Enterprises												
Yangzhou Guoyu Electronics Co., Ltd.	43,574,072.49				3,846,874.14				3,810,540.47			43,610,406.16
Jiangsu Intelligent Microsystem Industrial Technology Co., Ltd.	18,797,967.26											18,797,967.26
Subtotal	62,372,039.75		0.00	0.00	3,846,874.14	0.00	0.00	3,810,540.47				62,408,373.42
Total	62,372,039.75		0.00	0.00	3,846,874.14	0.00	0.00	3,810,540.47				62,408,373.42

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

Applicable Not applicable

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

Applicable Not applicable

Reasons for the obvious discrepancy between the foregoing information and the information used in the impairment test in previous years or external information

Reasons for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

Other notes

12. Other non-current financial assets

Unit: RMB

Item	Closing Balance	Opening Balance
Financial assets classified as at fair value through profit or loss for the current period		
Including: Beijing Guangmeng Semiconductor Industry Investment Center (LP)	438,354,009.38	438,354,009.38
Ningbo Dongxin Guohong Enterprise Management Partnership (LP)	128,806,244.45	135,287,192.72
Nantong Jinxin Haohua Investment Center (LP)	14,908,985.61	16,475,123.26
United Nova Technology Co., Ltd.	12,409,158.96	15,730,802.52
Jiangsu Power Microelectronics Co., Ltd.	15,000,000.00	15,000,000.00
Chengdu Senmi Technology Consulting Partnership (LP)	13,728,138.00	13,728,138.00
Dalian Jiafeng Automation Co., Ltd.	10,000,000.00	10,000,000.00
Hainan Huoyan Xihe Equity Investment Private Equity Fund Partnership (LP)	5,000,000.00	5,000,000.00
Shanghai Hestia Power Inc. (LP)	50,000,000.00	0.00
Total	688,206,536.40	649,575,265.88

Other notes:

13. Fixed assets

Unit: RMB

Item	Closing Balance	Opening Balance
Fixed assets	3,329,179,726.74	3,480,422,021.32
Total	3,329,179,726.74	3,480,422,021.32

(1) List of fixed assets

Unit: RMB

Item	Buildings and Structures	General Equipment	Special Equipment	Transport Facilities	Total
I. Original Carrying Amount:					
1. Opening balance	883,655,566.85	53,723,924.64	4,238,016,093.57	16,427,859.63	5,191,823,444.69
2. Increased amount for the current period	18,769,598.98	1,154,320.37	118,351,553.23	2,487,169.46	140,762,642.04
(1) Purchase	18,769,598.98	83,932.07	29,626,569.63	2,009,212.39	50,489,313.08
(2) Transfer from construction in progress		1,063,934.02	88,724,983.60	477,957.07	90,266,874.69
(3) Increase from					

business combination					
(4) Impact of exchange rate fluctuations		6,454.28			6,454.28
3. Decreased amount for the current period	101,447.89	321,099.16	26,109,162.01	300,032.74	26,831,741.80
(1) Disposal or scrap	101,447.89	321,099.16	26,096,756.12	300,000.00	26,717,855.28
(2) Impact of exchange rate fluctuations	101,447.89		12,405.89	32.74	113,886.52
4. Closing balance	902,323,717.94	54,557,145.85	4,330,258,484.79	18,614,996.35	5,305,754,344.93
II. Accumulated Depreciation					
1. Opening balance	156,349,147.39	30,512,723.25	1,511,911,230.12	12,628,322.61	1,711,401,423.37
2. Increased amount for the current period					
(1) Accrual	21,363,135.84	3,623,955.17	246,545,552.35	1,509,160.90	273,041,804.25
3. Decreased amount for the current period		6,126.92			6,126.92
(1) Disposal or scrap					
(2) Impact of exchange rate fluctuations		296,036.86	7,273,681.88	285,000.00	7,854,718.74
4. Closing balance	17,882.80		2,103.71	31.10	20,017.62
III. Allowance for Impairment	177,694,400.43	33,846,768.48	1,751,180,996.87	13,852,452.41	1,976,574,618.18
1. Opening balance					
2. Increased amount for the current period					
(1) Accrual					
3. Decreased amount for the current period					
(1) Disposal or scrap					
4. Closing balance					
IV. Carrying Amount					
1. Closing	724,629,317.51	20,710,377.37	2,579,077,487.91	4,762,543.94	3,329,179,726.74

carrying amount					
2. Opening carrying amount	727,306,419.46	23,211,201.39	2,726,104,863.45	3,799,537.02	3,480,422,021.32

(2) List of temporarily idle fixed assets

Unit: RMB

Item	Original Carrying Amount	Accumulated Depreciation	Allowance for Impairment	Carrying Amount	Remarks
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(3) Fixed assets leased out by operation lease

Unit: RMB

Item	Closing Carrying Amount
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(4) Fixed assets failed to accomplish certification of property

Unit: RMB

Item	Carrying Amount	Reason
No. 5 factory	224,136,604.33	In processing
Sichuan Yajixin Company crystal pulling IDM civil project	74,509,432.63	In processing
Buildings 6#, 7# and 8# of new factory	20,653,714.45	In processing due to changes in building construction plan
Factory 2# of Chengdu Qingyang Company	6,511,231.72	The real estate ownership certificate has not been obtained due to the fact that the fire control facilities of the factory have not yet been accepted.
Plant of Jiangsu Runau	1,663,759.71	The land of the entrepreneurial park where the entity is located has been mortgaged by the government for loans, which is not released yet. As a result, the entrepreneurial park cannot be used to apply for real estate ownership certificate.
Subtotal	327,474,742.84	

Other notes

(5) Impairment test of fixed assets Applicable Not applicable**(6) Proceeds from disposal of fixed assets**

Unit: RMB

Item	Closing Balance	Opening Balance
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Other notes:

14. Construction in progress

Unit: RMB

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

(1) List of construction in progress

Unit: RMB

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

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

Unit: RMB

Items	Budget	Opening Balance	Increased Amount for the Current Period	Amount of Fixed Assets Transferred-in for the Current Period	Other Decreased Amount for the Current Period	Closing Balance	Proportion of Accumulated Investment in Constructions to Budget	Construction Progress	Accumulated Amount of Capitalized Interest	Of which: Amount of Capitalized Interests for the Current Period	Capitalization Rate of Interests for the Current Period	Fund Source
Hunan Jiechuwei Company 8" wafer project	1,200,000,000.00	495,450,159.48	239,329,070.06	24,589,297.36		710,189,932.18	66.70%	67%				Others

Other production expansion and line upgrade projects	530,000,000.00	100,379,494.21	36,952,401.48	35,762,954.98		101,568,940.71	99.20%	99%				Others
Wafer project phase II	370,000,000.00	56,978,178.90	17,674,523.44	15,259,361.20		59,393,341.14	84.30%	85%				Others
Automotive-grade power chip manufacturing project	640,000,000.00	20,545,726.01	300,623,211.59	63,041.59		321,105,896.01	50.20%	50%				Others
SKY and MOS production expansion project phase I	509,000,000.00	6,919,469.06	10,185.35	1,150,442.47		5,779,211.94	80.20%	80%				Others
Vietnam production base construction project	619,690,000.00	464,391.46	14,857,958.19	101.35		15,322,248.30	2.50%	2.50%				Others
Semiconductor monocrystalline material capacity expansion project phase I	365,000,000.00	238,310.85	67,269.02	301,619.47		3,960.40	41.80%	42%				
Total	4,233,690,000.00	680,975,729.97	609,514,619.13	77,126,818.42		1,213,363,530.68						

(3) List of the accrual of the impairment allowance for construction in progress

Unit: RMB

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance	Reason for Accrual
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Item	Amount Accrued for the Current Period	Reason for Accrual
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Other notes

(4) Impairment test of constructions in progress
 Applicable Not applicable
(5) Engineering materials

Unit: RMB

Item	Closing Balance			Opening Balance		
	Carrying Balance	Allowance for Impairment	Carrying Amount	Carrying Balance	Allowance for Impairment	Carrying Amount

Other notes:

15. Right-of-use assets**(1) List of right-of-use assets**

Unit: RMB

Item	Buildings and Structures	Special Equipment	Total
I. Original Carrying Amount			
1. Opening balance	150,640,827.29	28,603,538.46	179,244,365.75
2. Increased amount for the current period	168,815.33		168,815.33
(1) Exchange rate changes	168,815.33		168,815.33
3. Decreased amount for the current period			
4. Closing balance	150,809,642.62	28,603,538.46	179,413,181.08
II. Accumulated Depreciation			
1. Opening balance	57,482,526.10	3,945,315.63	61,427,841.73
2. Increased amount for the current period	10,570,751.31	1,972,683.26	12,543,434.57
(1) Accrual	10,489,020.56	1,972,683.26	12,461,703.82
(2) Exchange rate changes	81,730.75		81,730.75
3. Decreased amount for the current period			
(1) Disposal			
4. Closing balance	68,053,277.41	5,917,998.89	73,971,276.30
III. Allowance for Impairment			
1. Opening balance			
2. Increased amount for the current period			
(1) Accrual			
3. Decreased amount for the current period			
(1) Disposal			
4. Closing balance			
IV. Carrying Amount			
1. Closing carrying amount	82,756,365.21	22,685,539.57	105,441,904.78
2. Opening carrying amount	93,158,301.19	24,658,222.83	117,816,524.02

(2) Impairment test of right-of-use assets

Applicable Not applicable

Other notes:

16. Intangible assets**(1) List of intangible assets**

Unit: RMB

Item	Land Use Right	Patent Right	Non-patent	Software	Proprietary	Total
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			Technologies		Technology	
I. Original Carrying Amount						
1. Opening balance	196,862,427.74			50,353,170.93	15,900,000.00	263,115,598.67
2. Increased amount for the current period				906,460.76		906,460.76
(1) Purchase				906,460.76		906,460.76
(2) Internal R&D						
(3) Increase from business combination						
3. Decreased amount for the current period	2,589,149.93			52,312.35		2,641,462.28
(1) Disposal						
(2) Impact of exchange rate changes	2,589,149.93			52,312.35		2,641,462.28
4. Closing balance	194,273,277.81			51,207,319.34	15,900,000.00	261,380,597.15
II. Accumulated Amortization						
1. Opening balance	19,540,105.88			26,271,619.12	5,770,000.00	51,581,725.00
2. Increased amount for the current period	2,069,272.04			3,007,496.18	795,000.00	5,871,768.22
(1) Accrual	2,069,272.04			3,007,496.18	795,000.00	5,871,768.22
3. Decreased amount for the current period	21,481.70					21,481.70
(1) Disposal						
(2) Impact of exchange rate changes	21,481.70					21,481.70
4. Closing balance	21,587,896.22			29,279,115.30	6,565,000.00	57,432,011.52
III. Allowance for Impairment						
1. Opening balance						
2. Increased						

amount for the current period						
(1) Accrual						
3. Decreased amount for the current period						
(1) Disposal						
4. Closing balance						
IV. Carrying Amount						
1. Closing carrying amount	172,685,381.59			21,928,204.04	9,335,000.00	203,948,585.63
2. Opening carrying amount	177,322,321.86			24,081,551.81	10,130,000.00	211,533,873.67

The proportion of intangible assets formed from the internal R&D of the Company at the end of the period to the closing balance of intangible assets

(2) Land use right failed to accomplish certification of property

Unit: RMB

Item	Carrying Amount	Reason
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Other notes

(3) Impairment test of intangible assets

Applicable Not applicable

17. Goodwill

(1) Original carrying value of goodwill

Unit: RMB

Investees or Events Resulting in Goodwill	Opening Balance	Increase for the Current Period		Decrease for the Current Period		Closing Balance
		Formed by Business Combination		Disposal		
Hunan Jiechuwei	151,444,997.06					151,444,997.06
Caswell	102,553,622.99					102,553,622.99
Chengdu Qingyang	37,844,782.13					37,844,782.13
Sichuan Yajixin	20,352,886.90					20,352,886.90
Jiangsu Runau	4,462,624.51					4,462,624.51
Shanghai Xinyang	1,944,739.19					1,944,739.19
Shanghai Lingxin	1,292,281.31					1,292,281.31

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

(2) Allowance for impairment of goodwill

Unit: RMB

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

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

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

Changes of asset group or asset group portfolios

Name	Composition Before Changes	Composition After Changes	Objective Facts and Basis for Changes
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Other notes

(4) Specific method of determining the recoverable amount

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

 Applicable Not applicable

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

 Applicable Not applicable

Unit: RMB

Item	Carrying Amount	Recoverable Amount	Impairment Amount	Forecast Period	Key Parameters of	Key Parameters of	Basis for Determining
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				(years)	Forecast Period	Stable Period	the Key Parameters of Stable Period
Hunan Jiechuwei Company	1,051,821,013.55	1,073,000,000.00		Five years	Revenue growth rate: 12.52% Gross profit rate: 21.63% Determined based on historical experience and market development	Revenue growth rate: 0 Gross profit rate: 29.87% Determined based on historical experience and market development	Discount rate: 10.92% Determined based on historical experience and market development
MCC Hong Kong, Caswell Company and its subsidiaries, MCC Shenzhen	371,437,331.14	420,971,580.09		Five years	Revenue growth rate: 0 Gross profit rate: 20.00% Determined based on historical experience and market development	Revenue growth rate: 0 Gross profit rate: 20.00% Determined based on historical experience and market development	Discount rate: 12% Determined based on historical experience and market development
Chengdu Qingyang Company, Sichuan Yajixin Company	546,756,298.75	567,000,000.00		Five years	Revenue growth rate: 9.47% Gross profit rate: 23.79% Determined based on historical experience and market development	Revenue growth rate: 0 Gross profit rate: 26.90% Determined based on historical experience and market development	Discount rate: 10.10% Determined based on historical experience and market development
Total	1,970,014,643.44	2,060,971,580.09					

Reasons for the obvious discrepancy between the foregoing information and the information used in the impairment test in previous years or external information

Reasons for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

(5) Completion of business commitments and corresponding goodwill impairment

There is a business commitment at the time of the formation of goodwill, and the Reporting Period or the previous period of the Reporting Period is within the business commitment period.

Applicable Not applicable

Other notes

18. Long-term prepayments

Unit: RMB

Item	Opening Balance	Increased Amount for the Current Period	Amortization Amount of the Current Period	Other Decreased Amount	Closing Balance
Decoration and repair fees	117,867,540.00	37,205,881.83	44,348,038.11		110,725,383.72
Total	117,867,540.00	37,205,881.83	44,348,038.11		110,725,383.72

Other notes

19. Deferred tax assets/deferred tax liabilities**(1) Deferred tax assets had not been off-set**

Unit: RMB

Item	Closing Balance		Opening Balance	
	Deductible Temporary Difference	Deferred Tax Assets	Deductible Temporary Difference	Deferred Tax Assets
Allowance for impairment of assets	186,086,799.80	27,681,657.37	174,620,574.64	27,682,738.79
Internal unrealized profit	40,105,483.53	6,015,822.53	25,019,303.73	3,752,895.56
Deductible losses	174,340,773.27	26,151,115.99	180,854,523.25	27,128,178.49
Equity incentive fees			8,130,750.00	1,219,612.50
Deferred income	169,117,377.68	25,367,606.64	180,050,212.57	27,007,531.89
Lease liabilities	3,076,594.83	484,237.42	3,332,949.02	542,874.10
Total	572,727,029.11	85,700,439.95	572,008,313.21	87,333,831.33

(2) Deferred tax liabilities had not been off-set

Unit: RMB

Item	Closing Balance		Opening Balance	
	Taxable Temporary Difference	Deferred Tax Liabilities	Taxable Temporary Difference	Deferred Tax Liabilities
Estimated added value of assets not under the same control	42,827,057.27	6,424,058.59	42,827,057.27	6,424,058.59
Extra deduction of depreciation of fixed assets	1,353,496,346.62	203,024,451.99	1,372,944,701.87	205,941,705.28
Net profit achieved by MCC Hong Kong	441,071,883.40	66,160,782.51	397,471,558.00	59,620,733.70
Changes in fair value of other non-current financial assets	232,899,312.86	34,934,896.93	221,530,583.38	33,229,587.51
Right-of-use assets	1,813,953.74	294,847.02	4,743,115.99	753,724.77
Total	2,072,108,553.89	310,839,037.04	2,039,517,016.51	305,969,809.85

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

Unit: RMB

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

(4) List of unrecognized deferred tax assets

Unit: RMB

Item	Closing Balance	Opening Balance
Deductible temporary difference	7,342,686.97	10,181,721.03
Deductible losses	158,915,399.02	97,661,647.79
Total	166,258,085.99	107,843,368.82

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

Unit: RMB

Year	Closing Amount	Opening Amount	Remarks
2024	446,993.41	446,993.41	
2025	185,436.86	185,436.86	
2026	2,160,595.67	2,160,595.67	
2027	59,684,183.05	58,237,582.96	
2028	36,631,038.89	36,631,038.89	
2029	59,807,151.14		
Total	158,915,399.02	97,661,647.79	

Other notes

20. Other non-current assets

Unit: RMB

Item	Closing Balance			Opening Balance		
	Carrying Balance	Allowance for Impairment	Carrying Amount	Carrying Balance	Allowance for Impairment	Carrying Amount
Capacity deposit	181,065,625.00		181,065,625.00	319,316,563.00		319,316,563.00
Prepayment for engineering equipment	13,226,114.02		13,226,114.02	61,129,132.65		61,129,132.65
Total	194,291,739.02		194,291,739.02	380,445,695.65		380,445,695.65

Other notes:

21. Assets with title or use right restrictions

Unit: RMB

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

Other notes:

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

Unit: RMB

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

Notes of the category for short-term loans:

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

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

Unit: RMB

Entity	Closing Balance	Interest Rate	Overdue Time	Overdue Charge Rate

Other notes

23. Notes payable

Unit: RMB

Categories	Closing Balance	Opening Balance

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

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

24. Accounts payable

(1) List of accounts payable

Unit: RMB

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

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

Unit: RMB

Item	Closing Balance	Unpaid/Un-carry-over Reason
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Other notes:

25. Other payables

Unit: RMB

Item	Closing Balance	Opening Balance
Other payables	57,167,877.08	50,397,974.95
Total	57,167,877.08	50,397,974.95

(1) Other payables

1) Other payables listed by nature of account

Unit: RMB

Item	Closing Balance	Opening Balance
Accrued expenses	27,123,482.11	21,701,550.16
Guarantee deposits	22,725,843.77	21,462,741.17
Temporary receipts payable	5,870,051.20	5,785,183.62
Payables for equity acquisition	1,448,500.00	1,448,500.00
Total	57,167,877.08	50,397,974.95

2) Other significant accounts payable aged over one year or overdue

Unit: RMB

Item	Closing Balance	Unpaid/Un-carry-over Reason
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Other notes

26. Contract liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Payments for goods	29,286,072.55	35,088,567.84
Total	29,286,072.55	35,088,567.84

Significant contract liabilities aged over one year

Unit: RMB

Item	Closing Balance	Unpaid/Un-carry-over Reason
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Significant changes in the carrying amount and the reason in the Reporting Period

Unit: RMB

Item	Change in amount	Reason(s)
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27. Employee benefits payable**(1) List of payroll payable**

Unit: RMB

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance
I. Short-term Salary	164,311,433.22	482,973,522.17	530,130,506.15	117,154,449.24
II. Termination Benefit - Defined Contribution Plans	292,341.80	34,708,793.10	34,679,369.76	321,765.14
Total	164,603,775.02	517,682,315.27	564,809,875.91	117,476,214.38

(2) List of short-term salary

Unit: RMB

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance
1. Salary, bonus, allowance, subsidy	145,620,091.44	416,095,859.79	462,805,462.72	98,910,488.51
2. Employee welfare		21,887,307.71	21,887,307.71	
3. Social insurance	121,346.84	18,444,653.76	18,416,148.60	149,852.00
Including: Medicare premium	106,803.23	17,160,040.55	17,119,006.30	147,837.48
Occupational injuries premium	4,136.27	1,116,104.42	1,118,226.17	2,014.52
Maternity premium	10,407.34	168,508.79	178,916.13	
4. Housing provident fund	49,778.00	16,420,510.89	16,385,599.50	84,689.39
5. Labor union budget and employee education budget	18,520,216.94	10,125,190.02	10,635,987.62	18,009,419.34
Total	164,311,433.22	482,973,522.17	530,130,506.15	117,154,449.24

(3) List of defined contribution plans

Unit: RMB

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance
1. Basic pension insurance	282,399.04	33,626,774.81	33,592,317.38	316,856.47
2. Unemployment insurance premiums	9,942.76	1,082,018.29	1,087,052.38	4,908.67
Total	292,341.80	34,708,793.10	34,679,369.76	321,765.14

Other notes:

28. Taxes and rates payable

Unit: RMB

Item	Closing Balance	Opening Balance
VAT	9,265,211.63	3,687,589.09
Enterprise income tax	32,758,282.57	15,766,470.40
Individual income tax	7,829,752.63	2,579,338.89
Urban maintenance and construction tax	1,008,027.02	866,021.44
Property tax	1,942,440.94	1,615,059.91
Land use tax	301,218.36	298,301.80
Education surcharge	510,352.84	385,212.19
Local education surcharge	340,235.22	256,808.13
Stamp duty and others	1,310,040.85	1,692,552.70
Total	55,265,562.06	27,147,354.55

Other notes:

29. Non-current liabilities due within one year

Unit: RMB

Item	Closing Balance	Opening Balance
Long-term borrowings due within one year	300,256,506.85	401,131,506.85
Lease liabilities due within one year	59,856,539.57	44,189,680.79
Total	360,113,046.42	445,321,187.64

Other notes:

30. Other current liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Output VAT to be recognized	1,007,326.93	3,594,982.83

Total	1,007,326.93	3,594,982.83
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Increase/Decrease of the short-term bonds payable:

Unit: RMB

Bond Name	Par Value	Nominal Interest Rate	Issue Date	Bond Duration	Issue Amount	Opening Balance	Issued in the Current Period	Interest Accrued at Par Value	Amortization of Premium and Depreciation	Repaid in the Current Period		Closing Balance	Default or Not
Total													

Other notes:

31. Long-term borrowings

(1) Category of long-term borrowings

Unit: RMB

Item	Closing Balance	Opening Balance
Pledged borrowings		48,556,326.10
Mortgaged borrowings	390,833,944.82	346,539,452.05
Credit borrowings	99,883,333.33	
Total	490,717,278.15	395,095,778.15

Note to the category of long-term borrowings:

Other notes, including interest rate range:

32. Lease liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Lease liabilities	97,965,019.92	117,008,279.41
Less: Unrecognized financing expenses of lease liabilities	-12,905,027.51	-15,790,975.46
Total	85,059,992.41	101,217,303.95

Other notes:

33. Deferred income

Unit: RMB

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance	Reasons for Occurrence
Government grants	184,130,467.60	2,620,000.00	17,633,089.92	169,117,377.68	Related to assets

Total	184,130,467.60	2,620,000.00	17,633,089.92	169,117,377.68	
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Other notes:

34. Other non-current liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Capacity deposits received in advance	181,065,625.00	319,316,563.00
Total	181,065,625.00	319,316,563.00

Other notes:

35. Share capital

Unit: RMB

	Opening Balance	Increase/Decrease (+/-)					Closing Balance
		Issue of New Shares	Bonus Shares	Provident Fund Transferred to Shares	Others	Subtotal	
Total shares	543,014,987.00				332,800.00	332,800.00	543,347,787.00

Other notes:

Pursuant to the resolutions of the 18th meeting of the Fourth Board of Directors, the 17th meeting of the Fourth Board of Directors, the 9th meeting of the Fifth Board of Directors, and the first extraordinary shareholders' meeting of 2022, the vesting conditions for the first vesting period of the second category of restricted shares granted to incentive recipients in July 2024 by the Company have been achieved. Eventually, there were 92 recipients eligible to the vesting conditions including Li Ziyuan. The number of the second category of restricted shares to be vested was 3,715 million, and finally 79 incentive recipients subscribed for 3,328 million shares of the second category of restricted shares. The Company issued 3,328 million RMB ordinary shares (A shares) to the incentive recipients at a granted price of RMB34.42 per share. A total of RMB11,454,976.00 was raised, of which RMB332,800.00 was included in the share capital and RMB11,122,176.00 in the capital reserve (share premium). The aforesaid capital alteration was verified by Pan-China Certified Public Accountants LLP, and a Capital Verification Report (T.J.Y. [2024] No. 260) was issued thereon.

36. Capital reserve

Unit: RMB

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance
Capital premium (share premium)	4,000,967,443.20	11,122,176.00		4,012,089,619.20
Other capital reserve	58,388,423.25			58,388,423.25
Total	4,059,355,866.45	11,122,176.00		4,070,478,042.45

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

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

37. Treasury shares

Unit: RMB

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

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

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

38. Other comprehensive income

Unit: RMB

Item	Opening Balance	Current Period Cumulative						Closing Balance
		Current Period Cumulative Before Income Tax	Less: OCI Previously Recognized but Transferred to Profit or Loss in the Current Period	Less: Recorded in Other Comprehensive Income in Prior Period and Transferred in Retained Earnings in the Current Period	Less: Income Tax	Attributable to Parent Company	Attributable Minority Shareholders After Tax	
II. Other comprehensive income that may subsequently be reclassified to profit or loss	22,961,850.71	146,655.17	-			-146,655.17		22,815,195.54
Differences arising from translation of foreign currency-denominated financial statements	22,961,850.71	146,655.17	-			-146,655.17		22,815,195.54
Total other comprehensive income	22,961,850.71	146,655.17	-			-146,655.17		22,815,195.54

Other notes, including the adjustment of the effective gain/loss on cash flow hedges to the initial recognized amount:

39. Surplus reserve

Unit: RMB

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance
Statutory Surplus Reserve	271,507,493.50			271,507,493.50
Total	271,507,493.50			271,507,493.50

Notes, including changes and reason for change:

40. Undistributed profit

Unit: RMB

Item	Current Period	Previous Period
Closing balance of retained profits in the previous period before adjustments	3,409,569,241.07	2,771,489,902.27
Opening balance of retained profits after adjustments	3,409,569,241.07	2,771,489,902.27
Add: Net profit attributable to owners of the parent company	424,843,451.68	923,926,332.30
Less: Appropriation of statutory surplus reserve		15,121,100.00
Dividend payable on ordinary shares	324,278,389.20	270,725,893.50
Closing retained profits	3,510,134,303.55	3,409,569,241.07

List of adjustment of opening retained profits:

- 1) RMB0.00 of opening retained profits was affected by retrospective adjustment conducted according to the *Accounting Standards for Business Enterprises* and relevant new regulations.
- 2) RMB0.00 of opening retained profits was affected by changes in accounting policies.
- 3) RMB0.00 of opening retained profits was affected by correction of significant accounting errors.
- 4) RMB0.00 of opening retained profits was affected by changes in combination scope arising from same control.
- 5) RMB0.00 of opening retained profits was affected totally by other adjustments.

41. Operating revenue and operating cost

Unit: RMB

Item	Current Period Cumulative		Amount for the Previous Period	
	Revenue	Cost	Revenue	Cost
Principal business	2,805,258,766.11	1,998,296,221.89	2,569,092,610.29	1,827,247,216.20
Other business	59,996,436.14	18,058,996.04	55,649,776.33	7,081,542.08
Total	2,865,255,202.25	2,016,355,217.93	2,624,742,386.62	1,834,328,758.28

Breakdown of operating revenue and operating cost:

Unit: RMB

Category of Contracts	Segment 1		Segment 2				合计	
	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue
Business categories	2,865,255,202.25	2,016,355,217.93					2,865,255,202.25	2,016,355,217.93
Of which:								
Semiconductor components	2,469,661,080.96	1,745,277,422.06					2,469,661,080.96	1,745,277,422.06
Semiconductor chips	237,627,579.87	173,764,476.78					237,627,579.87	173,764,476.78
Semiconductor silicon wafers	97,970,105.28	79,254,323.05					97,970,105.28	79,254,323.05
Others	59,996,436.14	18,058,996.04					59,996,436.14	18,058,996.04
Classification by operating region	2,865,255,202.25	2,016,355,217.93					2,865,255,202.25	2,016,355,217.93
Of which:								
Domestic	2,247,598,071.35	1,680,494,205.85					2,247,598,071.35	1,680,494,205.85
Overseas	617,657,130.90	335,861,012.08					617,657,130.90	335,861,012.08
Market or customer type								
Of which:								
Contract type								
Of which:								
Classification by time of commodity transfer	2,865,255,202.25	2,016,355,217.93					2,865,255,202.25	2,016,355,217.93
Of which:								
Recognized at a point in time	2,865,255,202.25	2,016,355,217.93					2,865,255,202.25	2,016,355,217.93
Classification by contract term								
Of which:								
Classification by sales channel								
Of which:								
Total	2,865,255,202.25	2,016,355,217.93					2,865,255,202.25	2,016,355,217.93

Information about performance obligations:

Item	Time to Perform the Performance Obligations	Significant Payment Terms	Nature of the Goods that the Company Commits to Transfer	Whether it is the Principal Person in Charge	Payment Borne by the Company that is Expected to be Refunded to the Customers	Quality Assurance Types and Related Obligations Provided by the Company

Other notes

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

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

Variable consideration in the contract:

Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting Treatment Method	Amount of Impact on Revenue
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Other notes

42. Taxes and surcharges

Unit: RMB

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

Other notes:

43. Administrative expenses

Unit: RMB

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

Other notes

44. Selling expenses

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Employee benefits	85,562,441.53	78,029,908.28
Business traveling expenses	5,445,982.58	6,010,476.02
Office expenses	13,077,471.39	9,796,641.85
Depreciation and amortization	3,365,474.69	2,114,697.33
Business entertainment traveling expenses	3,368,044.94	4,416,146.14
Advertising expenses	2,294,152.65	2,769,456.88
Business consultation fees	2,257,598.88	761,290.16
Equity-settled share-based payments		3,491,005.00
Others	2,371,975.70	2,634,739.49
Total	117,743,142.36	110,024,361.15

Other notes:

45. R&D expenses

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Employee benefits	89,887,584.56	73,810,062.59
Direct inputs	84,119,551.39	71,837,929.23
Depreciation and amortization	13,366,370.89	9,251,602.13
Commissioned R&D expenses	20,000.00	1,383,665.46
Consultant certification fees	885,576.56	170,095.31
Equity-settled share-based payments	0.00	4,027,710.00
Others	8,990,508.46	4,856,119.70
Total	197,269,591.86	165,337,184.42

Other notes

46. Financial expenses

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Interest expenditures	24,273,283.93	17,116,999.97
Gains or losses on foreign exchange	-15,514,034.74	-94,458,141.44
Interest income	-76,786,813.75	-33,927,810.88
Unrecognized financing expenses	722,491.78	694,174.35
Others	2,412,456.12	1,344,186.63
Total	-64,892,616.66	-109,230,591.37

Other notes

47. Other income

Unit: RMB

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

48. Gains on changes in fair value

Unit: RMB

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

Other notes:

49. Investment income

Unit: RMB

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

Other notes

50. Credit impairment loss

Unit: RMB

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

Other notes

51. Assets impairment loss

Unit: RMB

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

Other notes:

52. Gains on asset disposal

Unit: RMB

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

53. Non-operating revenue

Unit: RMB

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

Other notes:

54. Non-operating expenditures

Unit: RMB

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

Other notes:

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

Unit: RMB

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

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

Unit: RMB

Item	Current Period Cumulative
Profit before tax	499,931,099.44
Current income tax expense accounted at statutory/applicable tax rate	75,029,064.18
Effect of different tax rate applicable to subsidiaries	1,121,297.11
Effect of non-deductible costs, expenses and losses	-1,163,244.88
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period	14,222,123.03
Influence of R&D and deductions	-11,608,379.83
Other adjusted items	-351,489.34
Income tax expenses	77,249,370.26

Other notes:

56. Other comprehensive income

See notes for details.

57. Items of cash flow statement**(1) Cash related to operating activities**

Other cash received relating to other operating activities

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Interest income	69,057,019.36	27,824,673.97
Government grants	14,513,928.69	36,615,445.77
Recovery of various deposits	2,248,822.00	21,683,519.00
Others	5,866,687.93	10,000,083.21
Total	91,686,457.98	96,123,721.95

Notes:

Other cash paid relating to other operating activities

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

Notes:

(2) Cash related other investing activities

Other cash received relating to other investing activities

Unit: RMB

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

Significant cash received relating to investing activities

Item	Current Period Cumulative	Amount for the Previous Period
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Notes:

Other cash paid relating to other investing activities

Unit: RMB

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

Significant cash paid relating to investing activities

Item	Current Period Cumulative	Amount for the Previous Period
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Notes:

(3) Cash related to financing activities

Other cash received relating to financing activities

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
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Notes:

Other cash paid relating to financing activities

Unit: RMB

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

Notes:

Changes in liabilities from financing activities

Applicable Not applicable

Unit: RMB

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

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

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

Unit: RMB

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

Losses from changes in fair value (gains expressed with "-")	12,751,241.12	15,580,233.35
Finance costs (gains expressed with "-")	-15,514,034.74	-109,230,591.37
Investment loss (gains expressed with "-")	-793,864.70	-35,468,139.61
Decrease in deferred tax assets (gains expressed with "-")	1,633,391.38	2,061,978.48
Increase in deferred tax liabilities (decrease expressed with "-")	4,869,227.19	26,191,541.40
Decrease in inventory (gains expressed with "-")	21,866,220.10	96,030,966.73
Decrease in accounts receivable generated from operating activities (gains expressed with "-")	-142,060,316.89	-241,464,663.52
Increase in accounts payable used in operating activities (decrease expressed with "-")	-125,054,665.11	-208,745,121.07
Others		29,765,662.79
Net cash flows from operating activities	528,137,435.41	270,551,262.13
2. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets leased in under finance leases		
3. Net increase/decrease of cash and cash equivalent:		
Closing balance of cash	3,787,598,283.98	3,185,772,954.86
Less: Opening balance of cash	3,474,836,947.19	1,429,416,363.84
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase of cash and cash equivalents	312,761,336.79	1,756,356,591.02

(2) Cash and cash equivalents

Unit: RMB

Item	Closing Balance	Opening Balance
I. Cash	3,787,598,283.98	3,474,836,947.19
Including: Cash on hand	1,580.91	684.88
Cash in bank on demand for payment	3,787,596,703.07	3,474,836,262.31
III. Closing Balance of Cash and Cash Equivalents	3,787,598,283.98	3,474,836,947.19

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

Unit: RMB

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

(4) Monetary assets that are not cash or cash equivalents

Unit: RMB

Item	Amount During the Current Period	Previous Period	Reasons for Not Being Cash and Cash Equivalents
Bank deposits	42,902,300.08	36,252,628.68	Closing provision for interest on large-amount deposit certificates
Bank deposits	6,567,011.77	6,567,011.77	Litigation blocked claims by the customer
Other monetary assets	1,822,604.61	581,474.92	It is a bank acceptance receivable and deposit for letters of credit, which does not meet the standards of cash and cash equivalents.
Total	51,291,916.46	43,401,115.37	

Other notes:

1) Amount of endorsed commercial acceptance not involving cash receipts and payments

In the current period, the amount of endorsed commercial acceptance totaled RMB923,714,842.93, including payments for goods of RMB558,144,921.74 and payments for acquisition of long-term assets such as fixed assets of RMB365,569,921.19.

59. Notes to the consolidated statement of changes in equity

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

60. Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: RMB

Item	Closing Balance in Foreign Currencies	Exchange Rate	Closing Balance Converted to RMB
Cash and bank balances			2,826,521,214.84
Including: USD	392,441,985.97	7.1268	2,796,855,545.61
EUR	112,762.89	7.6617	863,955.43
HKD	706,543.39	0.9127	644,848.02

JPY	6,541,923.00	0.0447	292,672.55
KRW	102,197,375.00	0.0052	531,426.35
TWD	21,379,621.00	0.2235	4,778,345.29
SGD	42,524.56	4.3690	185,789.80
VDN	78,351,717,362.00	0.0003	22,368,631.79
Accounts receivable			255,841,296.69
Including: USD	35,417,462.79	7.1268	252,413,173.83
EUR			
HKD	3,756,106.04	0.9127	3,428,122.86
Long-term borrowings			
Including: USD			
EUR			
HKD			
Accounts payable			41,159,740.59
Including: USD	5,606,509.36	7.1268	39,956,470.90
TWD	1,237,006.00	0.2235	276,470.84
JPY	20,716,143.99	0.0447	926,798.85
Other receivables			1,395,583.02
Including: USD	144,439.80	7.1268	1,029,393.56
TWD	56,250.00	0.2235	12,571.88
KRW	60,462,963.00	0.0052	314,407.41
JPY	653,092.00	0.0447	29,218.03
VDN	35,000,000.00	0.0003	9,992.15
Other payables			1,577,923.11
Including: VDN	3,333,039,998.00	0.0003	951,549.59
USD	70,157.71	7.1268	500,000.00
KRW	24,302,601.00	0.0052	126,373.53

Other notes:

(2) Notes to overseas entities including: for significant overseas entities, main operating place, functional currency and selection basis shall be disclosed; if there are changes in recording currency, relevant reasons shall be disclosed.

Applicable Not applicable

Entities	Principal Place of Operation	Functional Currency	Reasons
MCC USA	The USA	USD	Required by local laws.
MCC Taiwan	Taiwan, China	TWD	Required by local laws.
MCC Hong Kong	Hong Kong, China	USD	Required by local laws.
Caswell	The British Virgin Islands	USD	Required by local laws.
Yangjie Korea	Korea	KRW	Required by local laws.
MCC Germany	Germany	EUR	Required by local laws.
Yangjie Japan	Japan	JPY	Required by local laws.

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

61. Leases

(1) The Company was lessee

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Conditions involving leaseback transactions

(2) The Company was lessor

Operating lease as a lessor

Applicable Not applicable

Unit: RMB

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

Finance lease as a lessor

Applicable Not applicable

Undiscounted lease receivables for each of the next five years

Applicable Not applicable

Reconciliation sheet of undiscounted lease receivables to net lease investments

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

Applicable Not applicable

60. Others

VIII. R&D Expenses

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Employee benefits	89,887,584.56	73,810,062.59
Direct inputs	84,119,551.39	71,837,929.23
Depreciation and amortization	13,366,370.89	9,251,602.13
Commissioned R&D expenses	20,000.00	1,383,665.46
Consultant certification fees	885,576.56	170,095.31
Equity-settled share-based payments	0.00	4,027,710.00
Others	8,990,508.46	4,856,119.70
Total	197,269,591.86	165,337,184.42
Including: Expensing R&D expenditure	197,269,591.86	165,337,184.42

1. R&D projects eligible for capitalization

Unit: RMB

Item	Opening Balance	Increased Amount for the Current Period			Decreased Amount for the Current Period			Closing Balance
		Internal R&D Expenditure	Others		Recognized as Intangible assets	Recorded in the Current Profit or Loss		
Total								

Significant capitalized R&D projects

Item	R&D Progress	Estimated Completion Time	Estimated Way of Generating Economic Benefits	Time Point at which Capitalization Begins	Specific Basis for Starting Capitalization

Provision for impairment of development expenditure

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance	Impairment test

2. Significant outsourcing ongoing research projects

Items	Expected Way of Generating Economic Benefits	Judgment Criteria and Specific Basis of Capitalization or Expensing

Other notes:

IX. Change of Consolidation Scope

1. Business combination not under the same control

(1) Business combination not under the same control during the current period

Unit: RMB

Acquirees	Equity Acquisition Date	Equity Acquisition Cost	Proportion of Equity	Equity Acquisition Method	Acquisition Date	Determination Basis for Acquisition Date	Acquiree's Income from Acquisition Date to Period End	Acquiree's Net Profit from Acquisition Date to Period End	Acquiree's Cash Flow from Acquisition Date to Period End
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Other notes:

(2) Combination cost and goodwill

Unit: RMB

Combination Costs	
-Cash	
-Fair value of non-cash assets	
-Fair value of debt issued or assumed	
-Fair value of equity securities issued	
-Fair value of contingent consideration	
-Fair value of equity interests held before the purchase date	
--Other	
Total combination costs	
Less: Share of fair value of net identifiable assets acquired	
The amount of goodwill/combination cost less than the share in the fair value of identifiable net assets acquired	

Note to determination method of the fair value of the combination cost, consideration and changes:

The main formation reason for the large goodwill:

Other notes:

(3) The identifiable assets and liabilities of acquiree on purchase date

Unit: RMB

	Acquisition-date Fair Value	Acquisition-date Carrying Amount
	Assets:	
Cash and bank balances		
Receivables		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		

Borrowings		
Accounts payable		
Deferred tax liabilities		
Net assets		
Less: Minority interest		
Net assets acquired		

The determination method of the fair value of identifiable assets and liabilities:

Contingent liability of acquiree undertaken in the business combination:

Other notes:

(4) Gains or losses from re-measurement of equity held before the purchase date at fair value

Whether there is a transaction that through multiple transaction step by step to realize business combination and gaining the control during the Reporting Period

Yes No

(5) Notes to reasonable consideration or fair value of identifiable assets and liabilities of the acquiree that cannot be determined on the acquisition date or during the period-end of the merger

(6) Other notes

2. Business combination under the same control

(1) Business combination under the same control during the current period

Unit: RMB

Combined Party	Proportion of the Equity	Basis	Combination Date	Recognition Basis of Combination Date	Income from the Period-Begin to the Combination Date of the Acquiree	Net Profits from the Period-begin to the Combination Date of the Acquiree	Income of the Acquiree During the Period of Comparison	Net Profits of the Acquiree During the Period of Comparison

Other notes:

(2) Combination cost

Unit: RMB

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

Contingent liabilities and changes thereof:

Other notes:

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

Unit: RMB

	Combination Date	End of the Previous Period
Assets:		
Cash and bank balances		
Receivables		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Accounts payable		
Net assets		
Less: Minority interest		
Net assets acquired		

Contingent liabilities of the combined party undertaken in the business combination:

Other notes:

3. Counter purchase

Basic information of trading and the basis of transactions constitute counter purchase; Whether the retain assets and liabilities of the listed companies constitute a business and its basis; The determination of the combination costs; The amount and calculation of adjusted rights and interests in accordance with the equity transaction process:

4. Disposal of subsidiary

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

Yes No

Whether there was a step-by-step disposal of investment in a subsidiary through multiple transactions and loss of control during the current period

Yes No

5. Changes in combination scope for other reasons

Notes of other changes in the combination scope (e.g., new subsidiaries, liquidation of subsidiaries, etc.) and relevant situations:

6. Others

X. Equity in Other Entities

1. Equity in subsidiaries

(1) Compositions of the Group

Unit: RMB

Subsidiary	Registered Capital	Principal Place of Operation	Place of Registration	Business Nature	Shareholding Percentage (%)		Acquisition Method
					Direct	Indirect	
J&V Semiconductor	150,000,000.00	Yangzhou	Yangzhou	Electronic components manufacturing industry	98.00%		Incorporation
MCC Hong Kong	60,785,900.00	Hong Kong, China	Hong Kong, China	Investment and import & export trade	100.00%		Incorporation
MCC Shenzhen	10,000,000.00	Shenzhen	Shenzhen	Trade	100.00%		Acquisition
MCC USA	8,277,100.00	The USA	The USA	Import & export trade		100.00%	Acquisition
MCC Taiwan	7,208,250.00	Taiwan, China	Taiwan, China	Import & export trade		100.00%	Acquisition
Yixing Jiexin	65,000,000.00	Yixing	Yixing	Electronic components manufacturing industry	54.50%		Incorporation
Chengdu Qingyang	76,600,000.00	Chengdu	Chengdu	Electronic components manufacturing industry	60.00%		Acquisition
Jiangsu Runau	20,000,000.00	Yangzhou	Yangzhou	Electronic components manufacturing industry		100.00%	Acquisition
Sichuan Yajixin	60,000,000.00	Ya'an	Ya'an	Electronic components		60.00%	Acquisition

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

Notes of shareholding percentage in subsidiaries different from voting percentage:

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

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

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

Other notes:

(2) Significant non-wholly-owned subsidiaries

Unit: RMB

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

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

Other notes:

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

Unit: RMB

Subsidiary	Closing Balance						Opening Balance					
	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities
J&V Semiconductor	371,364,067.03	427,027,237.70	798,391,304.73	224,481,352.96	29,719,852.94	254,201,205.90	282,378,070.18	420,624,845.84	703,002,916.02	162,245,844.08	29,743,800.39	191,989,644.47
Chengdu Qingyang	196,451,506.22	98,383,607.59	294,835,113.81	99,142,445.65	3,323,888.85	102,466,334.50	206,363,465.70	97,691,654.20	304,055,119.90	79,304,899.30	3,813,500.55	83,118,399.85
Yixing Jiexin	106,350,512.61	94,836,747.66	201,187,260.27	88,216,812.52	2,825,582.20	91,042,394.72	94,264,031.99	101,729,949.88	195,993,981.87	86,679,639.54	2,873,237.41	89,552,876.95
Sichuan Yajixin	49,302,038.85	241,841,344.97	291,143,383.82	65,119,200.13	145,205,692.83	210,324,892.96	49,284,683.83	254,157,903.61	303,442,587.44	74,612,886.39	150,809,701.51	225,422,587.90

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

Subsidiary	Current Period Cumulative				Amount for the Previous Period			
	Operating Revenue	Net Profit	Total Comprehensive Income	Cash Flows from Operating Activities	Operating Revenue	Net Profit	Total Comprehensive Income	Cash Flows from Operating Activities
J&V Semiconductor	324,542,482.30	33,176,827.28	33,176,827.28	-45,831,789.45	261,853,093.32	23,008,714.44	23,008,714.44	58,436,656.47
Chengdu Qingyang	123,363,535.01	15,612,059.26	15,612,059.26	-4,589,501.47	92,967,184.96	4,056,557.12	4,056,557.12	3,554,840.77
Yixing Jiexin	78,897,399.10	3,703,760.63	3,703,760.63	31,862,982.19	85,126,145.87	4,383,113.48	4,383,113.48	16,738,271.18
Sichuan Yajixin	89,947,077.37	2,798,491.32	2,798,491.32	24,082,278.17	87,152,928.61	-18,807,830.52	-18,807,830.52	12,002,831.60
Hunan Jiechuwei	159,098,095.60	-37,547,721.09	-37,547,721.09	-45,831,789.45	52,072,268.82	-16,141,661.23	-16,141,661.23	8,611,734.03

Other notes:

(4) Significant restrictions on leveraging the assets and liquidating the liabilities of the business consortium**(5) Financial support or other support provided to structural entities incorporated into the scope of consolidated financial statements**

Other notes:

2. The transaction of the Company with its owner's equity share changing but the Company still controls the subsidiary**(1) Note to the owner's equity share changed in subsidiaries****(2) Effect of transactions on minority interest and equity attributable to parent company**

Unit: RMB

Purchase cost/disposal consideration	
-Cash	
-Fair value of non-cash assets	
Total purchase cost/disposal consideration	
Less: Share of net assets of subsidiaries based on percentage of equity acquired/disposed of	
Balance	
Including: Capital reserve adjusted	
Adjusting surplus reserve	
Adjusting retained profits	

Other notes

3. Equity in joint ventures or associated enterprises**(1) Significant joint ventures or associated enterprises**

Name	Principal Place of Operation	Place of Registration	Business Nature	Shareholding Percentage (%)		Accounting Treatment of the Investment to Joint Venture or Associated Enterprise
				Direct	Indirect	

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

(2) Main financial information of significant joint ventures

Unit: RMB

	Closing Balance/Current Period Cumulative	Opening Balance/Amount for the Previous Period
Current assets		
Of which: Cash and cash equivalents		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Minority interest		
Equity attributable to shareholders of the parent company		
Net assets shares calculated at the shareholding proportion		
Adjusted items		
--Goodwill		
--Unrealized profit of intra-company transaction		
--Other		
Carrying amount of equity investment to joint ventures		
Fair values of equity investments of joint ventures with quoted prices		
Operating revenue		
Financial expenses		
Income tax expenses		

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

Other notes

(3) Main financial information of significant associated enterprises

Unit: RMB

	Closing Balance/Current Period Cumulative	Opening Balance/Amount for the Previous Period
Current assets		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Minority interest		
Equity attributable to shareholders of the parent company		
Net assets shares calculated at the shareholding proportion		
Adjusted items		
--Goodwill		
--Unrealized profit of intra-company transaction		
--Other		
Carrying amount of investment to associated enterprises		
Fair value of equity investments in associated enterprises with publicly quoted prices		
Operating revenue		
Net profit		
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income		
Dividends received from the associates in the current period		

Other notes

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

Unit: RMB

	Closing Balance/Current Period Cumulative	Opening Balance/Amount for the Previous Period
Joint venture:		
Proportionate shares in the following items		
Associated enterprises:		
Proportionate shares in the following items		

Other notes

(5) Note to the significant restrictions on the ability of joint ventures or associated enterprises to transfer funds to the Company**(6) The excess loss of joint ventures or associated enterprises**

Unit: RMB

Name	The Cumulative Recognized Losses in Previous Accumulatively Derecognized	The Derecognized Losses (or the Share of Net Profit) in Current Period	The Accumulative Unrecognized Losses in Current Period

Other notes

(7) The unrecognized commitment related to investment to joint ventures**(8) Contingent liabilities related to investment to joint ventures or associated enterprises****4. Significant joint ventures**

Name of Joint Venture	Principal Place of Operation	Place of Registration	Business Nature	Shareholding Proportion/Shares Owned	
				Direct	Indirect

Notes to the difference between the shareholding proportion or shares owned in the joint venture and the voting proportion:

If the joint venture is a stand-alone entity, the basis for classifying it as a joint venture is as follows:

Other notes

5. Equity in structured entities that are not incorporated into the scope of consolidated financial statements

Notes to structured entities that are not incorporated into the scope of consolidated financial statements:

6. Others

XI. Government Grants

1. Government grants recognized based on the amount receivable at the end of the Reporting Period

Applicable Not applicable

Reasons for not receiving the estimated amount of government grants at the estimated time

Applicable Not applicable

2. Liability items involving government grants

Applicable Not applicable

Unit: RMB

Accounting subject	Opening Balance	Amount of New Subsidy for the Current Period	Amount Included into Non-operating Revenue in the Current Period	Amount Transferred into Other Income in the Current Period	Other Changes for the Current Period	Closing Balance	Related to Assets/Income
Deferred income	184,130,467.60	2,620,000.00		17,633,089.92		169,117,377.68	Related to assets

3. Government grants recorded into current profit or loss

Applicable Not applicable

Unit: RMB

Accounting Subject	Current Period Cumulative	Amount for the Previous Period
Amount of government grants included into other income	11,724,025.64	6,566,745.77

Other notes

XII. Risks Associated with Financial Instruments

1. Various types of risks arising from financial instruments

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on that risk management goal, the fundamental strategy of its risk management is to identify and analyze various risks facing the Company, establish

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

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

i. Credit risk

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

1. Practices of credit risk management

(1) Methods for evaluating credit risk

At each balance sheet date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default credit risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

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

- 1) The quantitative criteria are mainly that the probability of default in the remaining period at the balance sheet date increases by more than a certain percentage from the time of initial recognition;
- 2) The qualitative criteria are mainly material adverse changes in the debtor's operating or financial status, changes in the existing or expected technical, market, economic or legal environment that will have a material adverse impact on the debtor's ability to repay the Company.

(2) Definition of default and asset with credit impairment

A financial instrument is defined as defaulted when one or more following events have occurred, of which the standard is consistent with that for credit-impairment:

- 1) The debtor has major financial difficulties;
- 2) The debtor violates the binding clauses of the contract against the debtor;
- 3) The debtor is likely to go bankrupt or undergo other financial restructuring;
- 4) The creditor, out of economic or contractual considerations related to the debtor's financial difficulties, gives concessions to the debtor which would not have been made in any other circumstances.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk. The Company develops a model of the probability of default, loss rate of 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. Please refer to Note VII. 3, 4 and 7 of notes to the financial statements for details on the reconciliation table of opening balance and closing balance of provision for losses of financial instrument.

4. Exposure to credit risk and concentration of credit risk

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

(1) Monetary Assets

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

(2) Receivables

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

As the risk points of the Company's accounts receivable are distributed among multiple partners and customers, as of June 30, 2024, 21.08% of the Company's accounts receivable (December 31, 2023: 22.27%) originated from the top five customers, and there is no significant credit concentration risk in the Company.

The maximum exposure to credit risk the Company undertook shall be the carrying amount of each financial assets on balance sheet.

ii. Liquidity risk

Liquidity risk refers to the risk of fund shortage occurring when the Company fulfills the settlement obligation in the mode of cash delivery or other financial assets. Liquidity risk may originate from the failure to sell financial assets at fair value as soon as possible; or from the other party's failure to pay off its contractual debts; or from the earlier maturity of debts; or from the failure to generate the expected cash flow.

In order to control such risk, the Company comprehensively utilizes financing tools such as notes settlement, bank borrowings, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

Financial liabilities classified based on remaining time period till maturity

Item	Closing Balance				
	Carrying Amount	Contract Amount Not Yet Discounted	Within One Year	One to Three Years	Above Three Years
Bank borrowings	1,869,968,590.81	1,924,139,249.74	1,304,577,057.70	461,900,711.67	157,661,480.38
Notes payable	251,950,924.91	251,950,924.91	251,950,924.91		
Accounts payable	1,395,747,367.52	1,395,747,367.52	1,395,747,367.52		
Other payables	57,167,877.08	57,167,877.08	57,167,877.08		
Lease liabilities	144,916,531.98	158,044,378.41	59,629,835.51	54,527,406.49	43,887,136.41

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

(Continued)

Item	Year-end Balance of Last Year				
	Carrying Amount	Contract Amount Not Yet Discounted	Within One Year	One to Three Years	Above three years
Bank borrowings	1,350,196,193.45	1,407,943,724.44	980,596,959.44	262,658,005.00	164,688,760.00
Notes payable	239,394,631.11	239,394,631.11	239,394,631.11		
Accounts payable	1,188,088,881.20	1,188,088,881.20	1,188,088,881.20		
Other payables	50,397,974.95	50,397,974.95	50,397,974.95		
Lease liabilities	145,406,984.74	156,229,691.83	49,551,354.55	55,282,518.84	51,395,818.44
Subtotal	2,973,484,665.45	3,042,054,903.53	2,508,029,801.25	317,940,523.84	216,084,578.44

iii. Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market price. Market risk mainly includes interest risk and foreign currency risk.

1. Interest rate risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market interest. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating-rate financial instruments. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring.

2. Foreign exchange risk

Foreign exchange risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign exchange risk relates mainly to foreign currency monetary assets and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

Please refer to section VII. 60 of notes to the financial statements for details on foreign currency financial assets and liabilities at the end of the period.

2. Hedging

(1) The Company conducts hedging business for risk management

Applicable Not applicable

(2) The Company conducts eligible hedging business and applies hedging accounting

Unit: RMB

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

Other notes

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

Applicable Not applicable

3. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

2) Financial assets derecognized due to the transfer

Applicable Not applicable

(3) Continued involvement in asset transfer of financial assets

Applicable Not applicable

Other notes

XIII. Disclosure of Fair Value

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

Unit: RMB

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

II. Inconsistent Fair Value Measurement	--	--	--	--
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2. Basis for determining the market price of continuous and non-continuous level 1 fair value measurement items

Other non-current financial assets at fair value through profit or loss of RMB186,699,019.47 refer to shares of Chengzhi Shareholding Co., Ltd. (stock code: 000990) indirectly held by the Company through holding partnership shares of Nantong Jinxin Haohua Investment Center (LP), shares of Guobo Electronics Co., Ltd. (stock code: 688375) indirectly held by the Company through holding partnership shares of Ningbo Dongxin Guohong Enterprise Management Partnership (LP), shares of United Nova Technology Co., Ltd. (stock code: 688469) directly held by the Company and H-shares of BaTeLab Co., Ltd. (stock code: 2149.HK) directly held by the Company, and their fair values were determined based on the number of holding shares and closing price at the balance sheet date.

3. Continuous and non-continuous level 2 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters

Other non-current financial assets at fair value through profit or loss of RMB438,354,009.38 refer to shares of WeEn Semiconductors Co., Ltd. indirectly held by the Company through holding partnership shares of Beijing Guangmeng Semiconductor Industry Investment Center, and its fair value were determined based on the estimated value of the non-public offering of shares of WeEn Semiconductors Co., Ltd. in the current period and the proportion of the Company's equity.

4. Continuous and non-continuous level 3 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters

(1) Among the equity instrument investments, the investments in Hainan Huoyan Xihe Equity Investment Private Equity Fund Partnership (LP), Dalian Jafeng Automation Co., Ltd., Jiangsu Power, Chengdu Senmi Technology Consulting Partnership (LP) and Shanghai Hestia Power Inc. (LP) were RMB5 million, RMB10 million, RMB15 million, RMB13,728,100 and RMB50 million, respectively. As it is not feasible to evaluate the equity of investees using income approach or market approach, and there is no introduction of new external investors and transfer of equity between shareholders, which could be used as a reference for the determination of fair value of equity, resulting in the "limited condition" where cost can be used as the best estimate of fair value, the cost is adopted as the fair value at the balance sheet date.

(2) As the difference between the fair value of the receivables financing and the carrying amount is relatively small, the carrying amount is adopted as the fair value.

5. Continuous and non-continuous level 3 fair value measurement items, information on the adjustment between the opening and closing carrying amount, and sensitivity analysis of unobservable parameters

6. Explain the reason for conversion and the governing policy when the conversion happens if conversion happens among consistent fair value measurement items at different levels

7. Changes in the valuation technique in the current period and the reason for such changes

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

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

Notes: Information on the parent company

The Company's ultimate controlling party is Liang Qin.

Other notes:

2. Subsidiaries of the Company

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

3. Information on the joint ventures and associated enterprises of the Company

See Note X 3 for details of the significant joint ventures or associated enterprises of the Company.

Information on other joint venture or associated enterprise of occurring related-party transactions with the Company in Current Period, or forming balance due to related-party transactions made in previous period:

Name	Relationship with the Company
Yangzhou Guoyu Electronics Co., Ltd. (Yangzhou Guoyu)	Associate

Other notes

4. Information on other related parties

Related Parties	Relationship with the Company
Jiangsu Power Microelectronics Co., Ltd. (JiangsuPower)	Its shares are held by the Company
Dalian Jiafeng Automation Co., Ltd. (Dalian Jiafeng)	Its shares are held by the Company
Yangzhou Yiyuan Education Foundation	Supervisor Zhao Zheng of the Company serves as its Chairman

Other notes

5. List of related-party transactions

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

Information on acquisition of goods and reception of labor service

Unit: RMB

Related Parties	Content of Transaction	Current Period Cumulative	The Approval Trade Credit	Whether Exceed Trade Credit or Not	Amount for the Previous Period
Jiangsu Power	Purchase of materials	20,021,651.40		No	10,804,554.84
Dalian Jiafeng	Purchase of parts and equipment	212,345.13		No	1,212,389.38

Information of sales of goods and provision of labor service

Unit: RMB

Related Parties	Content of Transaction	Current Period Cumulative	Amount for the Previous Period
Jiangsu Power	Sale of goods	1,373,575.01	470,910.65

Notes to acquisition of goods and reception of labor service

(2) Information on related-party trusteeship/contract

Lists of trusteeship/contract of the Company:

Unit: RMB

Name of the Entruster/Contractee	Name of the Entrustee/Contractor	Type	Start Date	Due Date	Pricing Basis	Income Recognized in this Current Period
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Notes:

Lists of entrust/contract:

Unit: RMB

Name of the Entruster/Contractee	Name of the Entrustee/Contractor	Type	Start Date	Due Date	Pricing Basis	Charge Recognized in this Current Period
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Notes:

(3) Information on related-party lease

The Company was lessor:

Unit: RMB

Name of Lessee	Category of Leased Assets	The Lease Income Confirmed in the Current Period	The Lease Income Confirmed in the Previous Period
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The Company was lessee:

Unit: RMB

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

Notes:

(4) Information on related-party guarantee

The Company was guarantor:

Unit: RMB

Secured Party	Amount of Guarantee	Start Date	End Date	Execution Accomplished or Not
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The Company was secured party

Unit: RMB

Guarantor	Amount of Guarantee	Start Date	End Date	Execution Accomplished or Not
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Notes:

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

Unit: RMB

Related Parties	Amount	Start Date	Maturity Date	Remarks
Borrowing				
Lending				

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

Unit: RMB

Related Parties	Content of Transaction	Current Period Cumulative	Amount for the Previous Period
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(7) Information on remuneration for key management personnel

Unit: RMB

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

(8) Other related-party transactions

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

6. Accounts receivable and payable of related party**(1) Accounts receivable**

Unit: RMB

Items	Related Parties	Closing Balance		Opening Balance	
		Carrying Balance	Bad Debt Provision	Carrying Balance	Bad Debt Provision
Accounts receivable	Jiangsu Power			530,394.07	26,519.70

(2) Accounts payable

Unit: RMB

Items	Related Parties	Closing Carrying Balance	Opening Carrying Balance
Accounts payable	Jiangsu Power	8,577,767.58	9,209,124.38
Accounts payable	Dalian Jiafeng	1,039,642.21	
Subtotal		9,617,409.79	9,209,124.38
Notes payable	Jiangsu Power	2,100,000.00	1,760,000.00
Notes payable	Dalian Jiafeng	27,250.00	
Subtotal		2,127,250.00	1,760,000.00

7. Commitments of related party**8. Other****XV. Stock Payment****1. The overall situation of share-based payments**

Applicable Not applicable

Unit: RMB

Type of Granted Object	Granted in the Current Period		Exercised in the Current Period		Lifted in the Current Period		Expired in the Current Period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Administrative staff			241,000.00	8,295,220.00			33,000.00	1,135,860.00
R&D personnel			41,100.00	1,414,662.00			2,900.00	99,818.00
Sales personnel			31,500.00	1,084,230.00			2,000.00	68,840.00
Production personnel			19,200.00	660,864.00			4,300.00	148,006.00
Total			332,800.00	11,454,976.00			42,200.00	1,452,524.00

Share options or other equity instruments outstanding at the end of the period

Applicable Not applicable

Other notes

2. Equity-settled share-based payments

Applicable Not applicable

3. Cash-settled share-based payments

Applicable Not applicable

4. Share-based payments for the current period

Applicable Not applicable

5. Modification and termination of share-based payments

After the implementation of the 2022 and 2023 annual equity distribution plans, the grant price of Phase IV restricted share incentives was adjusted to RMB34.42 per share.

6. Others

XVI. Commitments and Contingency

1. Significant commitments

Significant commitments on balance sheet date

At the balance sheet date, foreign currency L/Cs issued by the Company totaled USD935,700.00, EUR504,000.00 and JPY44,500,000.00, respectively.

2. Contingency

(1) Significant contingency on balance sheet date

(2) Explanation shall be given even if there is no significant contingency for the Company to disclose

There was no significant contingency in the Company to disclose.

3. Others

XVII. Events after Balance Sheet Date

1. Significant non-adjustment matters

Unit: RMB

Item	Contents	Influence Number to the Financial Position and Operating Results	Reason of Inability to Estimate Influence Number
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2. Profit distribution

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

3. Sales return

4. Notes to other events after balance sheet date

XVIII. Other Significant Events

1. The accounting errors correction in previous period

(1) Retrospective restatement

Unit: RMB

Content	Processing Program	Name of the Influenced Report Items During Comparison Period	Accumulative Impact
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(2) Prospective application

Content	Processing Program	Reason for Adopting Prospective Application
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2. Debt Restructuring

3. Assets replacement

(1) Non-monetary assets exchange

(2) Other assets replacement

4. Pension plans

5. Discontinued operations

Unit: RMB

Item	Revenue	Fees	Profit Before Tax	Income Tax Expenses	Net Profit	Profit from Discontinued Operations Attributable to Owners of the Parent Company
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Other notes

6. Segment information

(1) Determination basis and accounting policies of reportable segment

The Company is mainly engaged in R&D, manufacturing and sales of discrete semiconductor products such as semiconductor components, semiconductor chips and semiconductor silicon wafers. The Company will treat this business as a whole for management, evaluation, and performance assessment. As a result, the Company is not required to disclose segment information. Please refer to section VII. 41 of notes to the financial statements for details on operating revenue and operating costs classified by product and region.

(2) The financial information of reportable segment

Unit: RMB

Item	Domestic	Overseas	Offset among Segment	Total
Revenue	2,247,598,071.35	617,657,130.90		2,865,255,202.25
Cost	1,680,494,205.85	335,861,012.08		2,016,355,217.93

(3) If the Company has no reporting segments, or if it is unable to disclose the total assets and liabilities of each reporting segment, the reasons shall be explained.

(4) Other notes

7. Other significant transactions and events with influence on investors' decision-making

8. Others

XIX. Notes to Main Items in the Financial Statements of the Parent Company

1. Accounts receivable

(1) Disclosure by ages

Unit: RMB

Ages	Closing Carrying Balance	Opening Carrying Balance
Within one year (inclusive)	1,592,538,913.83	1,563,430,602.38
One to two years	32,152,399.07	3,644,303.26
Two to three years	3,669,660.30	11,689,851.51
Above three years	14,168,036.63	522,733.63
Three to four years	14,168,036.63	522,733.63
Total	1,642,529,009.83	1,579,287,490.78

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

Unit: RMB

Type	Closing Balance					Opening Balance				
	Carrying Balance		Bad Debt Provision		Carrying Amount	Carrying Balance		Bad Debt Provision		Carrying Amount
	Amount	Percentage	Amount	Withdrawal Proportion		Amount	Percentage	Amount	Withdrawal Proportion	
Accounts receivable of bad debt provision withdrawn by single item	1,590,718.70	0.10%	1,590,718.70	100.00%		1,587,601.36	0.10%	1,587,601.36	100.00%	
Of which:										
Accounts receivable of bad debt provision withdrawn by group	1,640,938,291.13	99.90%	98,264,627.61	0.06%	1,542,673,663.52	1,577,699,889.42	99.90%	84,642,979.36	5.36%	1,493,056,910.06
Of which:										
Total	1,642,529,009.83	100.00%	99,855,346.31	100.00%	1,542,673,663.52	1,579,287,490.78	100.00%	86,230,580.72	5.46%	1,493,056,910.06

Name of the type of bad debt provision withdrawn by single item:

Unit: RMB

Name	Opening Balance		Closing Balance			
	Carrying Balance	Bad Debt Provision	Carrying Balance	Bad Debt Provision	Withdrawal Proportion	Reason for Accrual
Receivables with provision made by single item	1,587,601.36	1,587,601.36	1,590,718.70	1,590,718.70	100.00%	
Total	1,587,601.36	1,587,601.36	1,590,718.70	1,590,718.70		

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

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Within one year	1,592,512,170.27	79,625,608.51	5.00%
One to two years	31,503,648.65	3,150,364.87	10.00%
Two to three years	2,867,635.96	1,433,817.98	50.00%
Above three years	14,054,836.25	14,054,836.25	100.00%
Total	1,640,938,291.13	98,264,627.61	

Notes to the determination basis for the group:

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

Type	Opening Balance	Changes in the Current Period				Closing Balance
		Withdrawal	Reversed or Recovered	Written off	Others	
Bad debt provision withdrawn by single item	1,587,601.36				3,117.34	1,590,718.70
Bad debt provision withdrawn by group	84,642,979.36	14,726,663.73		1,105,015.48		98,264,627.61
Total	86,230,580.72	14,726,663.73		1,105,015.48	3,117.34	99,855,346.31

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

Unit: RMB

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

(4) Accounts receivable with actual verification in current period

Unit: RMB

Item	Written-off Amount
Accounts receivable with actual write-off	1,105,015.48

Of which the verification of significant accounts receivable:

Unit: RMB

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

Notes to verification of accounts receivable:

(5) Top 5 of the closing balance of the accounts receivable and contract assets collected according to arrears party

Unit: RMB

Entity	Closing Balance	Closing Balance of Contract Assets	Closing Balance of the Accounts Receivable and Contract Assets	Proportion to Total Closing Balance of the Accounts Receivable and	Closing Balance of Bad Debt Provision for Accounts

				Contract Assets	Receivable and Provision for Impairment for Contract Assets
No. 1	276,081,974.06		276,081,974.06	16.81%	18,598,013.31
No. 2	119,476,390.84		119,476,390.84	7.27%	7,427,269.57
No. 3	97,803,203.57		97,803,203.57	5.95%	4,890,160.18
No. 4	67,389,412.02		67,389,412.02	4.10%	3,369,470.60
No. 5	65,584,288.72		65,584,288.72	3.99%	3,279,214.44
Total	626,335,269.21		626,335,269.21	38.12%	37,564,128.10

2. Other Receivables

Unit: RMB

Item	Closing Balance	Opening Balance
Other receivables	115,111,019.92	68,359,486.42
Total	115,111,019.92	68,359,486.42

(1) Other receivables

1) Category of other receivables by account nature

Unit: RMB

Nature of Receivables	Closing Carrying Balance	Opening Carrying Balance
Call loans	107,970,644.09	64,704,406.80
Guarantee deposits	12,564,276.99	13,450,211.84
Prepayments for taxes of agent import customs declaration	1,544,814.73	39,404.96
Temporary payment receivable	4,354,266.16	3,020,770.29
Others		41,041.16
Total	126,434,001.97	81,255,835.05

2) Disclosure by ages

Unit: RMB

Ages	Closing Carrying Balance	Opening Carrying Balance
Within one year (inclusive)	120,415,241.49	52,112,561.15
One to two years	377,661.12	20,849,479.26
Two to three years	753,291.00	176,044.00
Above three years	4,887,808.36	8,117,750.64
Three to four years	4,887,808.36	8,117,750.64
Total	126,434,001.97	81,255,835.05

3) Disclosure by classification according to bad debt provision method

Unit: RMB

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

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

Unit: RMB

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

Notes to the determination basis for the group:

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

Unit: RMB

Bad Debt Provision	Stage 1	Stage 2	Stage 3	Total
	Expected Credit Loss in the Next 12 Months	Expected Loss in the Duration (Credit Impairment Not Incurred)	Expected Loss in the Duration (Credit Impairment Incurred)	
Balance as at January 1, 2024	2,605,628.06	2,084,947.93	8,205,772.64	12,896,348.63
Balance as at January 1, 2024 in the current period				
--Transferred to stage 2	-18,883.06	18,883.06		0.00
--Transferred to stage 3		-75,329.10	75,329.10	0.00
Provision withdrawn in the current period	3,434,017.08	-1,990,735.78	-3,016,647.88	-1,573,366.58
Balance as at December 31, 2024	6,020,762.08	37,766.11	5,264,453.86	11,322,982.05

Classification basis and bad debt provision proportion for each stage

Stage division basis: The first stage is for accounts within one year, the second stage is for accounts with an age of one-two years, and the third stage is for accounts with an age of more than two years.

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

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

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

Unit: RMB

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

5 Other receivables with actual verification in the current period

Unit: RMB

Item	Written-off Amount

Of which the verification of significant other receivables:

Unit: RMB

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

Notes to the verification of other receivables:

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

Unit: RMB

Entity	Nature	Closing Balance	Ages	Proportion to Total Closing Balance of Other Receivables	Closing Balance of Bad Debt Provision
No. 1	Call loans	37,931,963.51	Within one year	30.00%	1,896,598.18
No. 2	Call loans	16,000,000.00	Within one year	12.65%	800,000.00
No. 3	Call loans	54,000,386.00	Within one year	42.71%	2,700,019.30
No. 4	Guarantee deposits	34,560.00	Within one year	0.03%	1,728.00
No. 4	Guarantee deposits	130,000.00	Two to three years	0.10%	65,000.00
No. 4	Guarantee deposits	1,800,000.00	Above three years	1.42%	1,800,000.00
No. 5	Guarantee deposits	2,000,000.00	Above three years	1.58%	2,000,000.00
Total		111,896,909.51		88.49%	9,263,345.48

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

Other notes:

3. Long-term equity investment

Unit: RMB

Item	Closing Balance			Opening Balance		
	Carrying Balance	Allowance for Impairment	Carrying Amount	Carrying Balance	Allowance for Impairment	Carrying Amount
Investments in subsidiaries	2,214,495,803.79	2,044,509.64	2,212,451,294.15	2,214,495,803.79	2,044,509.64	2,212,451,294.15
Investments in associates and joint ventures	62,408,373.42		62,408,373.42	62,372,039.75		62,372,039.75
Total	2,276,904,177.21	2,044,509.64	2,274,859,667.57	2,276,867,843.54	2,044,509.64	2,274,823,333.90

(1) Investment to subsidiaries

Unit: RMB

Investees	Opening Balance (Carrying Amount)	Opening Balance of Allowance for Impairment	Increase/Decrease for the Current Period				Closing Balance (Carrying Amount)	Closing Balance of Allowance for Impairment
			Investments Increased	Investments Decreased	Allowance for Impairment	Others		
J&V Semiconductor	25,917,546.71						25,917,546.71	
Yangjie Semiconductor	50,724,448.81						50,724,448.81	
MCC Jiangsu	2,914,759.98						2,914,759.98	
MCC Shenzhen	9,583,324.26						9,583,324.26	
MCC Hong Kong	707,911,169.83						707,911,169.83	
Yangjie Korea	4,383,377.26						4,383,377.26	
Shanghai Xinyang	474,890.36	2,044,509.64					474,890.36	2,044,509.64
Hangzhou E-Giant	3,000,000.00						3,000,000.00	
Yixing Jiexin	36,467,931.60						36,467,931.60	
Chengdu Qingyang	101,322,499.80						101,322,499.80	
Shanghai Lingxin	5,114,166.60						5,114,166.60	
Sihong Hongxin	101,739,610.76						101,739,610.76	
Yangjie Wuxi	52,077,935.09						52,077,935.09	
Wuxi Jiexiwei	10,000,000.00						10,000,000.00	

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

(2) Investment to joint ventures and associated enterprises

Unit: RMB

Investee	Opening Balance (Carrying Amount)	Opening Balance of Allowance for Impairment	Increase/Decrease for the Current Period								Closing Balance (Carrying Amount)	Closing Balance of Allowance for Impairment
			Investments Increased	Investments Decreased	Investment Gains and Losses Recognized Under Equity Method	Adjustment of Other Comprehensive Income	Other Equity Changes	Cash Dividend/ Profit Declared for Distribution	Allowance for Impairment	Others		
I. Joint Ventures												
II. Associated Enterprises												
Yangzhou Guoyu	43,574,072.49				36,333.67							43,610,406.16
Jiangsu Intelligent Microsystem	18,797,967.26											18,797,967.26
Subtotal	62,372,039.75				36,333.67							62,408,373.42
Total	62,372,039.75											62,408,373.42

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

Applicable Not applicable

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

Applicable Not applicable

Reasons for the obvious discrepancy between the foregoing information and the information used in the impairment test in previous years or external information

Reasons for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

(3) Other notes**4. Operating revenue and cost of sales**

Unit: RMB

Item	Current Period Cumulative		Amount for the Previous Period	
	Revenue	Cost	Revenue	Cost
Principal business	2,334,680,676.76	1,849,709,152.94	4,349,466,794.40	3,344,569,674.98
Other business	133,204,676.19	87,191,178.64	263,485,807.81	181,214,868.39

Total	2,467,885,352.95	1,936,900,331.58	4,612,952,602.21	3,525,784,543.37
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Breakdown of operating revenue and operating cost

Unit: RMB

Category of contracts	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business categories								
Of which:								
Classification by operating region								
Of which:								
Market or customer type								
Of which:								
Contract type								
Of which:								
Classification by time of commodity transfer								
Of which:								
Recognized at a point in time								
Classification by contract term								
Of which:								
Classification by sales channel								
Of which:								
Total								

Information about performance obligations:

Item	Time to Perform the Performance Obligations	Significant Payment Terms	Nature of the Goods that the Company Commits to Transfer	Whether it is the Principal Person in Charge	Payment Borne by the Company that is Expected to be Refunded to the Customers	Quality Assurance Types and Related Obligations Provided by the Company

Other notes

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

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

Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting Treatment Method	Amount of Impact on Revenue
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Other notes:

5. Investment income

Unit: RMB

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

6. Others

XX. Supplementary Materials

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

Applicable Not applicable

Unit: RMB

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

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

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

Applicable Not applicable

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

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

Applicable Not applicable

2. Return on equity and earnings per share

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

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

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

Applicable Not applicable

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

Applicable Not applicable

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

4. Others

