

# **Yangzhou Yangjie Electronic Technology Co., Ltd.**

## **2025 Semi-Annual Report**

**[20 August 2025]**

## **Section I Important Notice, Table of Contents and Definitions**

**The Board of Directors, the Supervisory Committee, 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 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 Semi-Annual Report.**

**All directors were present in person at the Board of Directors meeting to consider and approve this Semi-Annual 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 continuously 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 new materials, new technologies, and new products, the Company is facing a risk to the realization of the design technology of high-end products and the opportunities to be chosen by downstream customers. 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 to adapt to rapid changes of the Company’s managers. Although the Company has continued to strengthen the construction of its internal management system and promote the systematic construction 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, 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: Based on the total share capital of 543,347,787 shares as of August 18, 2025, a cash dividend of RMB4.2 (tax-inclusive) per ten shares will be distributed to all shareholders, with no bonus shares (tax-inclusive). Additionally, there will be no conversion of provident fund into share capital.**

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### **Documents Available for Inspection**

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 company documents and manuscripts of all announcements disclosed 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: Securities Investment Department of the Company.

## Definitions

Item	Refers to	Content
The Company, Company, and Yangjie Technology	Refers to	Yangzhou Yangjie Electronic Technology Co., Ltd.
Semiconductors	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 circuits	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 component, which is mainly used for power conversion and control circuits for power equipment
Diode	Refers to	A semiconductor component with positive wizard pass and reverse cutoff features
Rectifier bridge	Refers to	A rectifier part 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 wafers	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 SMD 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 voltage suppressor
IOT	Refers to	Internet of Things, also known as a sensor network. It is an

Item	Refers to	Content
		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 and J&V Semiconductor Company	Refers to	Yangzhou J&V Semiconductor Co., Ltd.
MCC USA	Refers to	Micro Commercial Components Corporation (USA)
CS Company and Caswell	Refers to	Caswell Industries Limited (BVI)
MCC Taiwan	Refers to	MCC Semiconductor Co., Ltd.
Jiangsu Applied Power	Refers to	Jiangsu Applied Power Microelectronics Co., Ltd.
Chengdu Qingyang	Refers to	Chengdu 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.
Yixing Jiexin	Refers to	Yixing Jiexin Semiconductor Co., Ltd.
Yangjie Semiconductor	Refers to	Jiangsu Yangjie Semiconductor Co., Ltd.
Shanghai Xinyangjie	Refers to	Shanghai Xinyangjie Electronics Co., Ltd.
Yangjie Korea Company	Refers to	Yangjie Electronic Korea Co., Ltd.
MCC Jiangsu	Refers to	Jiangsu MCC Semiconductor Co., Ltd.
Hangzhou Yijia Semiconductor	Refers to	Hangzhou Yijia 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.
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 and Chuwei 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 profile

Stock abbreviation	Yangjie Technology	Stock code	300373
Previous stock abbreviation (if any)	/		
Stock exchange for stock listing	Shenzhen Stock Exchange (SZSE)		
Chinese name of the company	扬州扬杰电子科技股份有限公司		
Chinese name 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. Contact persons and contact methods

	Board Secretary	Securities Affairs Representative
Name	Fan Fengbin	Qin Nan
Address	68 Xin'ganquan Road, Hanjiang District, Yangzhou City, Jiangsu Province	68 Xin'ganquan 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. Company contact methods

Whether there were any changes to the Company's registered address, business address and postal code, website, email address, etc. during the Reporting Period

☐Applicable ☒Not applicable

There were no changes to the Company's registered address, business address and postal code, website, email address, etc. during the Reporting Period. For details, please refer to the 2024 Annual Report.

#### 2. Information disclosure and places for inspection

Whether there were any changes in information disclosure and the places for inspection during the Reporting Period

☐Applicable ☒Not applicable

The name and website address of the stock exchange and media outlets where the Company discloses its semi-annual reports remain unchanged during the Reporting Period. For details, please refer to the 2024 Annual Report.

#### 3. Registration change

Whether there were any changes in registration status during the Reporting Period

☐Applicable ☒Not applicable

There were no changes in the Company's registration status during the Reporting Period. For details, please refer to the 2024 Annual Report.

### IV. Principal accounting data and financial indicators

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



☐Yes ☒No

	This Reporting Period	Same Period of the Previous Year	Increase/Decrease from Same Period of the Previous Year
Operating income (RMB)	3,454,861,057.06	2,865,255,202.25	20.58%
Net profit attributable to shareholders of the listed company (RMB)	601,345,162.23	424,843,451.68	41.55%
Net profit net of non-recurring gains and losses attributable to shareholders of the listed company (RMB)	559,030,742.52	422,451,942.72	32.33%
Net cash flows from operating activities (RMB)	757,490,803.53	528,137,435.41	43.43%
Basic earnings per share (RMB/share)	1.12	0.78	43.59%
Diluted earnings per share (RMB/share)	1.12	0.78	43.59%
Weighted average ROE (%)	6.63%	5.03%	1.60%
	At the End of This Reporting Period	At the End of Previous Year	Increase/Decrease at the End of This Reporting Period from the End of Previous Year
Total assets (RMB)	15,533,830,069.13	14,271,620,366.91	8.84%
Net asset attributable to shareholders of the listed company (RMB)	9,114,467,039.32	8,764,548,513.12	3.99%

## V. Accounting data differences under China Accounting Standards (CAS) and those under the foreign accounting standards

**1. If there was any difference of the net profits and the net assets that were disclosed in the financial statement under the International Accounting Standards (IAS) with those under the CAS**

☐Applicable ☒Not applicable

There was no difference of the net profits and the net assets that were disclosed in the financial statement under the IAS with those under the CAS during the Reporting Period.

**2. If there was any difference of the net profits and the net assets that were disclosed in the financial statement under the foreign accounting standards with those under the CAS**

☐Applicable ☒Not applicable

There was no difference of the net profits and the net assets that were disclosed in the financial statement under the foreign accounting standards with those under the CAS during the Reporting Period.

## VI. Non-recurring gains and losses

☒Applicable ☐Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-651,205.92	

Item	Amount	Note
Government grants recognized in profit or loss for the current period (except for government grants closely related to the Company's normal operating business, in compliance with national policies and in accordance with defined criteria, and having a continuous impact on the Company's profit or loss)	4,933,919.47	
Gains and losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains and losses arising from the disposal of financial assets and financial liabilities, other than effective hedging business related to the Company's normal operating business	35,800,720.65	
Gains and losses on entrusting others with investments or asset management	14,296,915.50	
Other non-operating income and expense other than the above	-3,511,433.67	
Less: Income tax effects	8,246,020.50	
Effects of the minority shareholders' equity (net of tax)	308,475.82	
Total	42,314,419.71	

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 gain 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*

☐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 during the Reporting Period

##### 1. Development of the industry where the Company engages

Power semiconductor component, as core functional components of power electronics, are widely applied across various fields, including automotive electronics, AI servers, robotics, 5G communications, clean energy, intelligent security, industry, and consumer electronics. Driven by the “carbon peaking and carbon neutrality” strategy and the wave of artificial intelligence, market demands for higher energy conversion efficiency and smarter equipment continue to grow, thereby accelerating the demand for various types of power semiconductor devices. As the new technology of the power semiconductor component industry has been developed and become mature, the application fields of power semiconductor component continue to expand, making power semiconductor devices indispensable and core electronic components for the development of the national economy.

The power semiconductor market demonstrated a trend of “increasing demand and accelerated domestic production” in the first half of 2025, driven by artificial intelligence, new energy, and automotive electronics. On the demand side, trade-in policies boosted consumer electronics and industrial downstream demand, while automotive electronics and AI created a spike in demand for high-performance computing and high-speed communications, which gave the sector new impetus for expansion. In terms of the competitive landscape, although the power semiconductor component industry shows a relatively high degree of market-oriented development and a low industry concentration. In China, the power semiconductor market features a distinct tiered competitive landscape. With domestic companies progressively breaking through in core technologies related to chip design and manufacturing processes, there is a filling of domestic technology gaps across various sectors. Consequently, the quality, performance, and technical standards of domestic power semiconductor products have continuously improved. This has led to increased brand recognition, reducing China’s reliance on imported devices. Opportunities for domestic substitution and expansion into overseas markets have become more apparent. Global top industry players facing intense market competition are urgently seeking cost-reduction solutions and have started incorporating Chinese brands into their supply chains, presenting Chinese companies with excellent opportunities to increase their market share abroad. Meanwhile, China-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. Relevant national policies supporting the increased use of domestically produced semiconductors have also provided new momentum for the industry.

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 introduced 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 peaking 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 January 2024, the Ministry of Industry and Information Technology (MIIT) 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. In November 2024, the MIIT issued the *Action Plan for the High-Quality Development of the New Energy Storage Manufacturing Industry (Exposure Draft)* (hereinafter referred to as the *Action Plan*). The *Action Plan* aims to promote the high-quality development of the new energy storage manufacturing industry, build a new generation of information technology and new energy growth engines, and provide a powerful driving force for the construction of a modern industrial system and energy transformation and upgrading. In terms of breaking through efficient integration and intelligent control technologies, the *Action Plan* seeks to enhance the supply capacity of key core components such as advanced power semiconductors, intelligent sensors, and power management chips. In March 2025, the *Government Work Report* delivered at the National People's Congress and the Chinese People's Political Consultative Conference proposed the continued advancement of the "AI+" initiative, vigorously promoting the development of next-generation intelligent terminals such as intelligent connected new energy vehicles, AI-powered smartphones and computers, and intelligent robots, as well as smart manufacturing equipment. The report also emphasized expanding large-scale 5G applications, accelerating innovation in the industrial Internet, optimizing the national computing power resource layout, and fostering globally competitive digital industry clusters. In July 2025, the General Office of the National Development and Reform Commission (NDRC) and other three government departments issued the *Notice on Promoting the Scientific Planning and Construction of High-Power Charging Facilities*, proposing to promote technological innovation and application in high-power charging, accelerate domestic substitution of core components such as high-voltage silicon carbide modules and main control chips, and encourage overall upgrading of the charging industry chain, including components, system integration, and operation services.

## 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 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. In 2025, 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 was once again recognized by China Semiconductor Industry Association (CSIA) as one of the top three enterprises among the Top Ten Semiconductor Power Device Enterprises in China for several consecutive years, ranked eighth on OMDIA's Global Power Semiconductor Discrete List, and has been rated as one of the top 20 in multiple domestic and international lists of top semiconductor enterprises, and has been included in the Top 50 automotive chip companies and the MIIT's automotive whitelist. The Company obtained certifications from multiple international tier-1 benchmark customers during the Reporting Period, with its technology and products gaining recognition from several mainstream customers.

## 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 principal products include three segments. Specifically, they are material segment (monocrystalline silicon rods, silicon wafers, and epitaxial wafers), wafer segment (5-inch, 6-inch and 8-inch silicon substrates, 6-inch silicon carbide, and other types of power electronic device 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, AI, clean energy, 5G communications, intelligent security, industrial, consumer electronics and many other fields, providing customers with a package of products, technology and service solutions. During the Reporting Period, the Company stepped up efforts in the marketing of MOSFET, IGBT and SiC products in automotive electronics, AI, industrial and clean energy sectors, seeing a rapid year-on-year increase in gross order size and shipment volume, and a year-on-year growth of 20.58% 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. Currently, the Company has established a global network of localized research and development, manufacturing, and sales facilities in multiple countries/regions, including five R&D centers. These facilities integrate the world's best practices with localized product development, tailored to the specific needs of local customers. The Company remains focused on deepening its development in the power semiconductor sector, actively advancing project implementation, driving innovation and transformation, and expanding both at home and abroad. During the Reporting Period, Phase I of the Company's first overseas packaging facility, MCC (Vietnam) Plant, has entered the mass production stage and achieved full production capacity, while Phase II has also been successfully launched. With process and quality reaching the highest level in China, the Company's first SiC chip production line has successfully ramped up to mass production. The first packaging project for SiC automotive-grade power semiconductor modules was completed and put into production.

The Company implements "strong brands" 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 a number of brands. The Company 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 the global market.

#### 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 and packaging testing, and terminal sales and service. Its current business model is specified as follows:

##### (1) Supply chain model

The Company continuously deepens its supply chain management strategy with a dual-engine approach of "strategic synergy + digital transformation", and focuses on building intelligent decision-making capabilities based on the development of an intelligent supply chain system.

In terms of supply chain collaboration management, the Company has established a supplier grading management system and effectively improved the stability of core material supply through capacity interlocking agreements. It has optimized the supply partner service management mechanism by

including supply quality and delivery response in the performance appraisal system to drive suppliers to focus on optimizing cooperation resources through share allocation. In response to the ongoing challenges posed by escalating geopolitical risks, the Company has accelerated the construction of an “overseas multi-hub supply network,” continuously developed localized supply channels for overseas plants, and completed strategic reserves of key materials.

In terms of procurement control, the Company has creatively adopted a dual-track management model of “centralized procurement pool + flexible window” to deeply explore the cost potential of general materials and equipment other than raw materials, and leverage the scale advantages of the Group to enhance cost competitiveness. For customized materials, the Company has set up a rapid response channel and review mechanism to effectively shorten the new product development cycle. For bulk metal price data, it has deployed AI intelligent algorithms for data capture and analysis to achieve real-time monitoring and early warning push notifications for metals on a daily basis, and has established a dynamic optimization mechanism for procurement strategies.

## (2) Operation model

The Company has established an excellent operational model centered on a “Zero-defect Quality System” and the “Yangjie Business System (YBS)”. By deeply optimizing the seven major operational management processes, upgrading the internal quality management review system, and establishing an industry-leading quality management model, the Company has successfully passed multiple customer reviews, achieved a continuous reduction in defect rates and customer complaint rates, and realized continuous improvements in supply chain costs and internal operational efficiency; By consistently advancing cost management initiatives and putting into practice a wide range of measures including R&D cost reduction, lean improvement, value stream improvement, and information technology, the Company has considerably reduced failure costs, enhanced the stability of production quality, and improved the responsiveness of customer deliveries; By continuously strengthening the enabling role of lean, intelligent, and digital transformation in industrial upgrading, the Company has achieved automation of key production process parameter settings, integration of critical production resources, and visualization of production activity information and various management performance indicators (PQDCS). This helped achieving full coverage of production performance management from point to line to surface.

## (3) Marketing model

The Company implements “strong brands” and brand product differentiation business model. It mainly popularizes the products of the “MCC” brand against leading international brands 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 multiple overseas sales and technical service centers in 24 countries and regions, including the United States, South Korea, Japan, India, and Singapore). At the same time, the Company actively responds to the call of the state to “let domestic and foreign markets boost each other” by expanding its international business, continuously optimizing its overseas network, and accelerating the development of overseas R&D centers and other innovation platforms. As a result, the Company’s industry position, brand value, and global influence continue to strengthen.

## II. Analysis of core competitiveness

### 1. R&D technology:

#### (1) Advanced R&D technology platform

The Company collaborates with multiple renowned universities and research institutes in the industry, integrating R&D teams across its business divisions to establish a well-structured and clearly coordinated R&D system. The headquarters houses a central research institute, responsible for cutting-edge technology and fundamental research, laboratory construction and operation, and overall management of the Company's R&D projects. Each business division or product line has its dedicated product R&D department, specifically including the SiC R&D team, IGBT R&D team, MOSFET R&D team. These teams focus on aligning product development with customer needs and market trends, conducting research and development, and facilitating mass production, thus creating a product development management system based on the principle of "developing this generation of products while researching on the next generation of products." The Company 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. Partnered with Southeast University, the Company has established the "Yangjie-Southeast University Joint R&D Center of Broad Forbidden Band Semiconductors", focusing on the development and industrialization of third-generation semiconductors like silicon carbide.

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 10,000 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 one-stop product experimental application platform established and refined by the Company meets various needs such as chip design simulation, environmental testing, physical and chemical fault analysis, and product electrical, thermal and mechanical stress simulation. It is equipped with advanced R&D and testing equipment competent for MOSFET, IGBT, power module, diode, BJT, SiC 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. This experimental platform has successfully been approved as the "Key Laboratory for Third-Generation Semiconductor Power Chip and Module Integration Technology in Jiangsu Province" gaining more authoritative official recognition.

## (2) A sound technical talent system and management mechanism

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 recruiting a group of senior technical experts and PhDs with over 20 years of industry experience worldwide. This includes talents with advanced basic manufacturing skills in the manufacturing industry from the MIIT, leading talents from provincial and ministerial-level "Innovation and Entrepreneurship Program" for innovation and entrepreneurship, professor-level senior engineers receiving special government allowances from the State Council, Jiangsu Province's "333 Talent Program", and Jiangsu Province's "Six Talent Peaks Program". 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.

In terms of R&D project management, the Company implemented a series of innovative measures aimed at strengthening R&D team development, improving efficiency, and enhancing innovation capabilities, including: 1) Building an efficient R&D system: The Company has initially introduced the Integrated Product Development (IPD) concept, an advanced product development management model that enables full-process coordination and optimization from market demand to product development, production, and roll-out. Additionally, the Company has established a comprehensive and objective evaluation system for R&D personnel, encouraging outstanding individuals to stand out while fostering healthy internal competition, resulting in a flexible and efficient talent management mechanism. 2) Optimizing the R&D management process: By continuously refining the Product Lifecycle Management (PLM) process, the Company has enhanced the efficiency and quality of R&D activities, ensured the effective accumulation and transfer of technical knowledge and strengthening the team’s technical foundation. This initiative has not only enhanced the professional expertise of R&D personnel but has also laid a solid foundation for the Company’s long-term technological innovation. 3) Enhancing project monitoring and improvement: Throughout the entire lifecycle of R&D projects, the Company conducts in-depth research and detailed analysis to promptly identify and resolve bottlenecks and potential flaws, significantly improving R&D efficiency and projects’ success rate.

### (3) Continuously enriched R&D patents and standards

The Company’s accumulation of R&D patents and standards reflects its deep technical expertise and forward-looking strategic layout in innovation. As of the end of the Reporting Period, the Company had been granted a total of 696 intellectual property rights as at June 30, 2025, including 120 domestic invention patents, 485 utility model patents, 70 integrated circuit layout designs, eight software copyrights, and 13 appearance design patents. As one of the primary drafters for power semiconductor industry standards, the Company participated in the formulation and revision of national standards such as *Discrete Semiconductor Devices - Part 1: Sectional Specification* (Plan No.: 20233151-T-339) and *Discrete Semiconductor Devices - Part 2: Rectifier Diodes* (Plan No.: 20232773-T-339), as well as group standards including *Performance Requirements and Testing Methods for Conductive Adhesives for Semiconductors*, *Modular Diode for PV Module Junction Box*, and *Performance Requirements and Testing Methods for High-performance Packaging Protective Films*.

## 2. Marketing

### (1) Build international market capabilities with “strong brands”

The Company implements “strong brands” and brand product differentiation business model. It mainly popularizes the “MCC” brand against leading international brands in the European and American markets. The Company 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 the Chinese and other Asia-Pacific markets, the Company primarily promotes its “YJ” brand products and has established strategic partnerships with top-tier customers across 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, Micro (Vietnam) Co., Ltd. to further strengthen its overseas supply capacity and actively expand its international business. The Company keeps up its international service standards by leveraging its global supply chain to make sure on-time, high-quality, and high-volume deliveries. With top-notch market services, a solid marketing



network, and high-performance products, the Company has built a strong brand image both domestically and internationally.

## (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. The Company has established a collaboration system. At the same time, it has assigned professional industry managers to key terminal industries to meet the core demands of customers with the best product quality and service.

## (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 the AI, new energy vehicle and clean energy sectors. It focuses on expanding top customers in downstream industries, such as automotive electronics, AI servers, robotics, and stored energy 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 AI 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 a number of certifications and orders from them.

## 3. Operation management

In response to global supply chain restructuring and intensified cross-industry competition, which demand higher quality and cost efficiency, the Company has introduced an operational excellence management philosophy based on its corporate mission and long-term development strategy. 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) Upgrade the internal quality control review system

The Company 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, introduced the DPPB/DPPM indicator system, and benchmarked against the quality management levels of international first-class companies, gaining recognition from mainstream international customers.

### (2) Keep advancing cost management

The Company has adopted a multi-faceted approach to cost management, integrating product R&D innovation, lean improvements, value stream optimization, and digitalization. These complementary measures have significantly reduced failure costs, enhanced production quality stability, and improved responsiveness to customer deliveries. The Company has introduced an integrated supply chain IBP to streamline the flow of demand, capacity, material supply, and delivery information,

achieved rapid delivery through balanced production, effectively enhancing supply chain responsiveness, collaboration, and delivery efficiency.

### (3) Implement a lean, intelligent, and digital transformation strategy

The Company is committed to building YBS, guided by policy deployment (PD), problem-solving, and daily management (DM) as its foundation. By leveraging process tools and talent development, the Company aims to establish an operational excellence system. With lean operations as the foundation and smart and digital technologies as the pillars, the Company integrates “lean, intelligent, and digital” transformation to create a lean and intelligent factory featuring the shortest lead times, stable quality, optimal costs, and flexible delivery.

## III. Analysis of principal business

### Overview

#### 1. Major operations of the Company during the Reporting Period

##### (1) R&D technology

a) The Company continued to invest more in the industry of third-generation semiconductor chips and stepped up efforts to research and develop third-generation semiconductor power devices represented by SiC to further meet the Company's demands for subsequent strategic development. During the Reporting Period, the Company and the School of Integrated Circuits, Southeast University, entered into an agreement to jointly construct the “Yangjie-Southeast University Joint R&D Center of Wide Bandgap Semiconductors” and further consolidate the R&D of third-generation semiconductors. Using IDM technology, the SiC chip factory upgraded its 650 V/1,200 V/1,700 V SiC MOS products from the second-generation to the third-generation. The full SiC MOS product lineup now covers 650 V, 1,200 V, and 1,700 V, with resistance ranging from 13 mΩ to 500 mΩ. The specific on-resistance (RSP) of the third-generation SiC MOS platform has been reduced to below 3.33 mΩ.cm<sup>2</sup>, and the FOM value has reached below 3,060 mΩ.nC, meeting international standards. In the SiC module sector, the Company expanded its product offerings to include the FJ, 62 mm and Easy Pack series of SiC modules. During the Reporting Period, the Company's market share in SiC, particularly in SiC MOS, continued to grow. Its products are now widely applied to AI server power supplies, new energy vehicles, photovoltaics, charging pile, energy storage, and industrial power supplies.

In the automotive module sector, the Company developed a fully automated automotive-grade power module production line targeting new energy vehicle controller applications, with an annual capacity of 168,000 three-phase bridge HPD modules. The Company successfully tackled key technological challenges encountered in chip silver sintering, ultrasonic welding of Pin connectors, and copper interconnection, and conducted research on critical technologies addressing the high power density and low thermal resistance of automotive-grade power modules, including low parasitic inductance, multi-parallel chip current sharing, and direct water cooling. It also developed three-phase bridge power modules (750 V/950 A IGBT module and 1,200 V/2.0 mΩ SiC module) and half-bridge power modules (1,200 V 600 A IGBT module, 1,200 V 1.6 mΩ SiC module and 1,200 V 2.0 mΩ SiC module). Samples of these products have been sent to multiple automotive customers and received testing approvals and collaboration intentions from several tier-1 suppliers and end-user automakers. 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.

b) In terms of IGBT products, based on the Fabless model, the Company completed the development, optimization and iteration of a full series of 1.6/2.2 μm micro-pattern-trench (MPT) 650 V 30 A-160 A and 1,200 V 15 A-200 A IGBT chips on 8-inch and 12-inch platforms, achieving bulk shipments

to customers. The 1,700 V 400 A and 600 A C2 and E3 half-bridge products have also been launched, achieving small-scale shipments to customers. In terms of photovoltaic storage and charging applications of new energy, the Company adopted high-density component structural design and advanced back processing technology, significantly reducing the saturation voltage drop and turn-off loss of devices. Six product models (including the new N3 and N4) have been applied in the 60 kW-320 kW power range, and Type-I and Type-T three-level topology module products with voltage level of 650 V/1,000 V/1,200V and current from 160A to 600 A have been successfully rolled out. In automotive-grade single tube, leveraging its automotive-grade power device packaging line, the Company achieved large-scale deliveries to automakers and tier-1 customers in OBC applications. In automotive-grade modules, the Company has completed the establishment of an automotive-grade production line for HPD and ED3 with an annual production capacity of 250,000 modules, and has already completed the construction of the production line. During the Reporting Period, the Company strategically focused on expanding IGBT applications in new energy vehicles, artificial intelligence, industrial control, and photovoltaic inverters. Sales revenue continued to grow, and market share steadily increased, positioning the Company as a key player in both chip design and module encapsulation.

c) In terms of MOSFET products, following the Company's strategic focus on automotive electronics, the Fabless-based 8-inch and 12-inch platforms achieved mass production of N40V automotive-grade products (0.4-10 mohm) for motor-driven applications such as EPS, BCM, oil pumps, and water pumps. These products have passed terminal automotive electronic customer tests, with the PDFN5060 product reaching a minimum RDS (ON) of 0.4 mohm. The Company has been expanding its offerings into high-power automotive motor applications, particularly for automotive DC-DC converters, wireless charging, headlights, and load switches. Series expansions of N60V/N100V/N150V products have been progressively tested and entered mass production for key customers. Additionally, P40V/P60V/P80V automotive grade chip development has been completed, primarily targeting battery reverse protection and load switch applications. Multiple products have passed automotive-grade reliability verification tests and are gradually entering the market.

The Company has significantly increased R&D investment in SGT MOSFET technology, accelerating iterations on existing platforms while advancing the development of the SGT MOSFET new voltage platform. The newly developed P40V/P150V/N80V/N100V/N150V/N200V SGT process platform has achieved a FOM ( $RDS(ON) \times QG$ ) that is over 20% superior to the mainstream market level. For data centers and security systems, the Company developed N30V and N100V SGT devices with on-resistance below 2 mohm using specialized processes, expanding its product portfolio for hot-swappable storage applications. The Company's SJ product platform achieved further technological breakthroughs, with N600V and N650V Gen2.5 gradually entering mass production. By enhancing device structural density, this series of products further reduces characteristic on-resistance, increases device power density, and significantly enhances device current capability in the same volume. Moreover, this series of products optimizes device switching characteristics to provide greater margin for system EMC design, comprehensively improving various parameters and characteristics of the products.

During the Reporting Period, the Company's R&D expense ratio reached 6.38%, an 11.74% increase compared to the same period previous year. During the Reporting Period, the Company filed 15 intellectual property applications (including nine domestic invention patents and six utility model patents), and was granted 70 patents (including 11 domestic invention patents, 48 utility model patents, seven integrated circuit layout designs, and four appearance design patents).

## (2) Marketing

a) Deep industry and customer engagement. The Company continued to refine its technology-marketing synergy, capitalizing on opportunities in the global energy transition and intelligent system upgrades. It focused on new energy vehicle electronics (including 800 V high-voltage platforms and intelligent driving), AI, PV energy storage, industrial automation, and 5G communications, achieving full coverage of top-tier industry customers. During the Reporting Period, the Company's performance in the automotive electronics sector grew significantly. The Company constructed an agile service system based on a "customer demand – technical response – closed-loop improvement approach". Every year, it highlights the improvement of customer satisfaction, makes improvement plans and prepares improvement reports according to customer feedback, and provides 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 customers' satisfaction for three consecutive years.

b) In terms of breakthroughs in key product matrixes, 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 formed a team cooperation mode to help sales personnel obtain opportunities for production recognition, and established a collaboration system, accelerating the conversion rate of business opportunities, and increasing the sales proportion of key products. The Company also built technical sales capabilities for power device solutions involving MOSFETs, IGBTs, and SiCs, providing technical solutions to strategic customers.

c) As to global channel expansion, the Company continued to advance its internationalization strategy by enhancing the two-way interaction between overseas and domestic markets, and promoting the domestic and international "strong brands" management. "YJ" brand products mainly target the domestic and Asia-Pacific markets, while "MCC" brand products mainly target the European and American markets, achieving global market channel coverage for diversified products. It continued to advance its e-commerce business model both domestically and internationally, integrating offline and online strategies to further strengthen brand building and enhance brand influence. With a global network, the Company continuously expanded its overseas business. During the Reporting Period, Phase I of the MCC (Vietnam) Plant officially began mass production, with the first two batches of packaged products achieving a yield rate of over 99.5%. The small signal product line of the Phase II of the project successfully went into production in the middle of the year, marking a solid step forward for the Company in actively exploring international markets and accelerating its globalization process.

### (3) Operation and management

a) The Company practiced the development principal of "quality first". During the Reporting Period, the Company systematically advanced the upgrading of its quality management system. It 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 has the comprehensive ability in quality management, creating channels for quality information communication and data sharing, and tracking customers' use of products.

b) The Company worked hard on lean operation management and continued to drive all manufacturing centers to implement sophisticated operations. Based on dynamic analysis of market supply and demand, the Company focused on three major operating objectives of "supply-demand balance, optimal cost, and efficient delivery." It optimized its production strategy through scientific

methods, upgraded its traditional production model to built a flexible manufacturing system, and made customers more satisfied with delivery. The Company aimed for “cost leadership” and actively planed cost optimization and excellence in operation activities. It promoted technological innovation and design cost reduction in R&D, implemented lean transformation and process improvement in manufacturing, and carried out process optimization and digital empowerment in operations. Through multi-dimensional coordination, it promoted efficiency improvement, cost reduction, and innovation projects. At the same time, the Company concentrated on intelligent transformation and upgrading, with emphasis on the application of IoT industrial Internet of Things technology PLC and EAP in manufacturing processes and automated equipment production management, expanding the scope of data collection technology. Through the construction of smart factory/workshop pilots, the Company optimized key production and manufacturing parameters, created a smart decision-making support system, and promoted the deep evolution of the manufacturing system towards digitalization, networking, and intelligence.

c) The Company established YBS. It created a culture of leadership-driven improvement, implemented a company-wide lean transformation from top to bottom, promoted lean improvement activities on a weekly basis, and completed the development of the YBS 1.0 evaluation system. Through the advancement of lean projects, the Company has comprehensively and thoroughly implemented the principles of lean management across all factory production management. This includes optimizing logistics, improving overall equipment effectiveness (OEE), introducing on-site Kanban and rapid problem-solving methods, and training and certifying lean talents. These initiatives have led to the deepening of a lean management system with Yangjie’s characteristics. During the Reporting Period, the Company’s labor efficiency and overall equipment utilization rate effectively increased, resulting in a continuous improvement in the manufacturing cycle.

## 2. Reasons for performance changes during the Reporting Period

During the Reporting Period, the Company’s principal business was boosted by the semiconductor industry’s continuous expansion, particularly in sectors such as automotive electronics, artificial intelligence, and consumer electronics. The Company has always adhered to a technology-led strategy of product leadership, continued to increase investment in the research and development of high value-added new products, and promoted the continuous improvement of product competitiveness. The Company’s key products in multiple categories increased during the Reporting Period. Meanwhile, the Company has deeply integrated lean manufacturing concepts into the entire power semiconductor production process. Through measures such as production process optimization, quality control reinforcement, and refined cost management, the Company has comprehensively improved operational efficiency. During the Reporting Period, the Company’s gross margin increased year-on-year, offering strong support for profit growth.

### Year-on-year changes in major financial data

Unit: RMB

	This Reporting Period	Same Period of the Previous Year	YoY Increase / Decrease	Reasons for the Change
Operating revenue	3,454,861,057.06	2,865,255,202.25	20.58%	No significant changes.
Operating cost	2,287,590,616.58	2,016,355,217.93	13.45%	No significant changes.
Sales expense	143,170,526.86	117,743,142.36	21.60%	No significant changes.
Administrative expense	167,699,595.94	138,703,456.07	20.91%	No significant changes.
Financial expense	-23,119,431.20	-64,892,616.66	64.37%	Mainly due to a decrease in foreign exchange gains during the Reporting Period

				as a result of fluctuations in foreign exchange rates.
Income tax expense	99,188,220.52	77,249,370.26	28.40%	No significant changes.
R&D investments	220,430,540.43	197,269,591.86	11.74%	No significant changes.
Net cash flows from operating activities	757,490,803.53	528,137,435.41	43.43%	Mainly due to an increase in cash received from sales of goods and provision of services during the Reporting Period.
Net cash flows from investing activities	-595,023,803.71	-371,995,595.84	-59.95%	Mainly due to an increase in cash paid for the purchase of fixed assets, intangible assets, and other long-term assets during the Reporting Period.
Net cash flows from financing activities	293,539,657.46	139,911,182.25	109.80%	Mainly due to an increase in short-term borrowings during the Reporting Period.
Net increase in cash and cash equivalents	446,310,430.93	312,761,336.79	42.70%	Mainly due to an increase in net cash flow from operating activities during the Reporting Period.
Effect of foreign exchange rate changes on cash and cash equivalents	-9,696,226.35	16,708,314.97	-158.03%	Mainly due to the impact of exchange rate fluctuations on the cash and cash equivalents held by the Company during the Reporting Period.

Significant changes in the composition or sources of the Company's profits during the Reporting Period

☐ Applicable ☒ Not applicable

There were no significant changes in the composition or sources of the Company's profits during the Reporting Period.

Products or services accounting for more than 10% of the total

☒ Applicable ☐ Not applicable

Unit: RMB

	Operating Revenue	Operating Cost	Gross Margin	Increase/Decrease in the Operating Revenue from the Same Period of the Previous Year	Increase/Decrease in the Operating Costs from the Same Period of the Previous Year	Increase/Decrease in the Gross Margin from the Same Period of the Previous Year
By product or service						
Semiconductor components	3,042,052,839.70	2,020,944,769.95	33.57%	23.18%	15.80%	4.24%
Semiconductor chips	253,580,161.64	173,723,024.60	31.49%	6.71%	-0.02%	4.61%
Semiconductor silicon wafers	89,580,757.97	71,372,748.37	20.33%	-8.56%	-9.94%	1.23%
Total	3,385,213,759.31	2,266,040,542.92	33.06%	20.67%	13.40%	4.29%

**IV. Analysis of non-principal business**

☑ Applicable ☐ Not applicable

Unit: RMB

	Amount	Proportion to the Total Profit	Reasons for the Changes	Sustainable or Not
Investment income	10,777,517.45	1.55%	Mainly due to investment income and wealth management product income generated from the disposal of trading financial assets by the Company during the Reporting Period.	No
Gains or losses from changes in fair value	35,800,720.64	5.14%	Mainly due to the fair value changes recognized for equity instrument investments during the Reporting Period.	No
Asset impairment	- 27,689,181.53	-3.98%	Mainly due to the provision for inventory impairment.	No
Non-operating revenue	4,841,322.20	0.70%	Mainly due to the income from quality compensation received by the Company during the Reporting Period.	No
Non-operating expenses	9,377,331.91	1.35%	Mainly due to external donations and quality compensation payments made by the Company during the Reporting Period.	No
Credit impairment losses	- 10,539,922.91	-1.51%	Mainly due to the accrual of allowance for bad debts of accounts receivable during the Reporting Period.	No
Return on disposal of assets	373,370.12	0.05%	Mainly due to the return on disposal of fixed assets.	No

**V. Analysis of assets and liabilities****1. Significant changes in the asset structure**

Unit: RMB

	End of This Reporting Period		End of Previous Year		Increase / Decrease	Statement on Significant Changes
	Amount	Proportion to the Total Assets	Amount	Proportion to the Total Assets		
Monetary assets	4,565,947,680.80	29.39%	3,942,231,888.63	27.62%	1.77%	No significant changes
Accounts receivable	2,003,083,793.35	12.89%	1,875,353,558.04	13.14%	-0.25%	No significant changes
Contract assets	1,104,772.28	0.01%	1,104,772.28	0.01%	0.00%	No significant changes
Inventories	1,289,952,294.37	8.30%	1,227,175,102.44	8.60%	-0.30%	No significant changes
Long-term equity investments	18,797,967.26	0.12%	18,797,967.26	0.13%	-0.01%	No significant changes
Fixed assets	3,670,936,536.37	23.63%	3,467,212,945.22	24.29%	-0.66%	No significant changes
Construction in progress	1,676,031,460.55	10.79%	1,359,312,665.99	9.52%	1.27%	No significant changes
Right-of-use assets	23,153,298.44	0.15%	96,199,205.86	0.67%	-0.52%	Mainly due to the reduction in right-of-use assets following the acquisition of subsidiary Changsha Bodian in the current year.

	End of This Reporting Period		End of Previous Year		Increase / Decrease	Statement on Significant Changes
	Amount	Proportion to the Total Assets	Amount	Proportion to the Total Assets		
Short-term borrowings	1,589,423,795.01	10.23%	1,056,002,216.99	7.40%	2.83%	Mainly due to the increase in the Company's bank financing within one year during the Reporting Period.
Contract liabilities	13,640,858.13	0.09%	11,243,387.05	0.08%	0.01%	No significant changes
Long-term borrowings	611,546,264.85	3.94%	523,744,408.78	3.67%	0.27%	No significant changes
Lease liabilities	17,508,158.29	0.11%	78,803,045.30	0.55%	-0.44%	Mainly due to the reduction in lease liabilities following the acquisition of subsidiary Changsha Bodian in the current year.
Other current assets	93,675,049.27	0.60%	164,276,158.50	1.15%	-0.55%	Mainly due to the decrease in the principal-protected fixed-income financial products during the Reporting Period.
Intangible assets	277,474,548.22	1.79%	198,961,777.64	1.39%	0.40%	Mainly due to the acquisition of subsidiary Changsha Bodian during the Reporting Period, which was included in the scope of consolidation.
Taxes payable	80,090,658.15	0.52%	60,692,578.43	0.43%	0.09%	Mainly due to the increase in the income taxes payable by the Company during the Reporting Period.
Other current liabilities	1,077,878.11	0.01%	3,966,129.45	0.03%	-0.02%	Mainly due to the decrease in accounts payable for commercial acceptance bills that were not derecognized during the Reporting Period.
Treasury stock	131,512,027.80	0.85%	90,528,153.80	0.63%	0.22%	Mainly due to the Company's repurchase of shares during the Reporting Period.

## 2. Major overseas assets

☐ Applicable ☒ Not applicable

## 3. Assets and liabilities measured at fair value



☒ Applicable ☐ Not applicable

Unit:

Item	Opening Balance	Profits and Losses on Changes in Fair Value in the Current Period	Accumulated Changes in Fair Value Recognized in Equity	Impairments Accrued in the Current Period	Purchase Amount in the Current Period	Selling Amount in the Current Period	Other Changes	Closing Balance
<b>Financial assets</b>								
1. Trading financial assets (excluding derivative financial assets)	248,289,829.99	20,720,108.67			186,123,600.00	225,616,457.67	-193,480.99	229,323,600.00
2. Derivative financial assets	696,898,681.49	15,080,611.98						711,979,293.47
3. Other debt investments	945,188,511.48	35,800,720.65			186,123,600.00	225,616,457.67	-193,480.99	941,302,893.47
4. Investments in other equity instruments	0.00							0.00
5. Other non-current financial assets	0.00							0.00
Sub-total of financial assets	221,615,999.99				1,491,996,354.13	1,525,938,853.72		187,673,500.40
Investment properties	1,166,804,511.47	35,800,720.65			1,678,119,954.13	1,751,555,311.39	-193,480.99	1,128,976,393.87
Productive biological assets	0.00							0.00
Accounts receivable financing	248,289,829.99	20,720,108.67			186,123,600.00	225,616,457.67	-193,480.99	229,323,600.00
Total of above	696,898,681.49	15,080,611.98						711,979,293.47
Financial liabilities	945,188,511.48	35,800,720.65			186,123,600.00	225,616,457.67	-193,480.99	941,302,893.47

Other changes

N/A

Material changes in measurement of major assets during the Reporting Period

☐ Yes ☒ No

#### 4. Restricted assets right as at the end of the Reporting Period

(1) Restricted assets at the end of the Reporting Period

Unit: RMB

Item	Closing Carrying Balance	Closing Carrying Value	Type of Restriction	Reasons for Restriction
Monetary assets	197,800,009.21	197,800,009.21	Deposits	Deposits for L/Gs and L/Cs, bank deposit pledge loan
Fixed assets	829,432,463.01	543,564,784.47	Mortgage	Pledge for borrowings

Item	Closing Carrying Balance	Closing Carrying Value	Type of Restriction	Reasons for Restriction
Intangible assets	42,008,087.85	36,119,287.69	Mortgage	Pledge for borrowings
Construction in progress	99,965,315.35	99,965,315.35	Mortgage	Pledge for borrowings
Total	1,169,205,875.42	877,449,396.72		

## (2) Restricted assets at the beginning of the Reporting Period

Unit: RMB

Item	Opening Carrying Balance	Opening Carrying Value	Type of Restriction	Reasons for Restriction
Monetary assets	48,579,009.19	48,579,009.19	Deposits	Deposits for L/Gs and L/Cs
Fixed assets	837,789,568.34	585,806,191.31	Mortgage	Pledge for borrowings
Intangible assets	49,581,002.19	42,846,341.83	Mortgage	Pledge for borrowings
Construction in progress	109,420,646.02	109,420,646.02	Mortgage	Pledge for borrowings
Total	1,045,370,225.74	786,652,188.35		

**VI. Analysis of investment****1. Overall status**☒ Applicable ☐ Not applicable

Investment Amount during the Reporting Period (RMB)	Investment Amount in the Same Period of the Previous Year (RMB)	Change
219,035,232.15	60,000,000.00	265.06%

**2. Significant equity investments made during the Reporting Period**☐ Applicable ☒ Not applicable**3. Major non-equity investments ongoing during the Reporting Period**☐ Applicable ☒ Not applicable**4. Financial assets measured at fair value**☒ Applicable ☐ Not applicable

Unit: RMB

Asset Type	Initial Investment Cost	Profits and Losses on Changes in Fair Value in the Current Period	Accumulated Changes in Fair Value Recognized in Equity	Purchase Amount in the Current Period	Selling Amount in the Current Period	Accumulated Investment Income	Other Changes	Closing Value	Source of Fund
Others	945,188,511.48	35,800,720.65	0.00	186,123,600.00	225,616,457.67	-193,480.99	941,302,893.47	941,302,893.47	Self-owned fund
Total	945,188,511.48	35,800,720.65	0.00	186,123,600.00	225,616,457.67	-193,480.99	941,302,893.47	941,302,893.47	--

**5. Use of raised funds**☒ Applicable ☐ Not applicable**(1) Overall use of raised funds**☒ Applicable ☐ Not applicable

Unit: RMB10,000

Year of Fundraising	Method of Fundraising	Securities Listing Date	Total Raised Funds	Net Amount of Funds Raised (1)	Total Raised Funds Used in the Current Period	Cumulative Total Amount of Raised Funds Used (2)	Usage Ratio of Raised Funds at the End of the Reporting Period (3) = (2) / (1)	Total Raised Funds Used with Altered Purposes during the Reporting Period	Total Raised Funds Used with Altered Purposes	Proportion of Total Raised Funds Used with Altered Purposes	Total Unused Raised Funds	Use and Ownership Change of Unused Raised Funds	Raised Funds Remaining Unused for Over Two Years
2023	Approved to issue Global Depositary Receipts (hereinafter referred to as GDR) and to list them on the SIX Swiss Exchange	April 18, 2023	145,762.46	145,762.46	11,070.59	59,699.81	40.96%	0	0	0.00%	103,228.13	The funds will continue to be used for capital-raising projects.	0
Total	--	--	145,762.46	145,762.46	11,070.59	59,699.81	40.96%	0	0	0.00%	103,228.13	--	0

## Statement on the Overall Use of the Raised Funds

In the first half of 2025, the Company actually used raised funds amounting to USD15,433,200, with the net amount of bank deposit interest received, after deducting bank fees, being USD2,823,600. As of June 30, 2025, the balance of the raised funds was USD144,201,600.

## (2) Project with the committed investment with the raised funds

☒ Applicable ☐ Not applicable

Unit: RMB10,000

Financing Project Name	Securities Listing Date	Project with the Committed Investment and the Investment with the Excessively Raised Funds	Project Nature	Whether the Project Has Been Altered (or Partially Altered)	Net Amount with Raised Funds	Total Committed Investment Amount with Raised Funds	Adjusted Total Amount of the Investment (1)	Amount invested during the Reporting Period	Accumulative Investment Amount at the End of the Reporting Period (2)	Investment Progress at the End of the Reporting Period (3) = (2) / (1)	Planned Date for Project to Reach Designated Usable State	Benefits Obtained during the Reporting Period	Accumulative benefits recorded as at the end of the Reporting Period	Whether the Expected Benefits Are Obtained	Whether There Are Any Material Changes in Project Feasibility
Project with the committed investment															
Development of the power component business, including the development of packaging for small signal products, silicon-based and silicon carbide SBD, and MOSFET products	April 18, 2023	Development of the power component business, including the development of packaging for small signal products, silicon-based and silicon carbide SBD, and MOSFET products	Production and construction	No	87,457.49	87,457.49	87,457.49	11,070.59	15,971.07	17.73%	April 18, 2026			No	No
Establishment of overseas R&D centers and global sales and after-sales service networks	April 18, 2023	Establishment of overseas R&D centers and global sales and after-sales service networks	R&D and sale	No	14,576.23	14,576.23	14,576.23	0	0	0.00%	April 18, 2026			N/A	No
Working	April 18,	Working	Liquidity	No	43,728.74	43,728.74	43,728.74	0	43,728.74	100.00%	December			N/A	No

capital replenishment and other general corporate purposes	2023	capital replenishment and other general corporate purposes	replenishment								31, 2024				
Subtotal of projects with the committed investment with the raised funds				--	145,762.46	145,762.46	145,762.46	11,070.59	59,699.81	--	--			--	--
Investment with the excessively raised funds															
N/A	January 23, 2014	N/A	N/A	No						0.00%	June 30, 2025			N/A	No
Total				--	145,762.46	145,762.46	145,762.46	11,070.59	59,699.81	--	--	0	0	--	--
Statement on the failure to achieve the scheduled progress and/or the anticipated returns and its reasons by project (including the reasons for choosing “not applicable” for “whether the anticipated returns have been achieved”)			None during the Reporting Period												
Statement on material changes in project feasibility			None during the Reporting Period												
Amount, use, and used proportion of excessively raised funds			N/A												
Alteration of sites for the implementation of the investment projects with the raised funds			N/A												
Adjustment to the implementation methods for investment projects with the raised funds			N/A												
Early investment and replacement regarding the investment projects with the raised funds			N/A												
Temporary replenishment of liquid capital with the idle raised funds			N/A												
The amount of, and the reasons for, the positive closing balance of the raised funds after project implementation			N/A												
Use and ownership change of unused raised funds			The Company has temporarily placed USD120,592,900 of the raised funds in a fixed deposit account under the designated fundraising account and remaining raised funds of USD23,608,700 in the designated fundraising account.												
Problems such as in the use of the raised funds and the disclosure of the use			N/A												

### (3) Alteration of the target projects of the raised funds

☐ Applicable ☒ Not applicable

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

## 6. Entrusted financial management, derivatives investment and entrusted loans

### (1) Entrusted financial management

☒ Applicable ☐ Not applicable

Overview of entrusted financial management during the Reporting Period

Unit: RMB10,000

Specific Type	Sources of	Amount of	Outstanding	Overdue	Impaired Amount
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	Funds for Trust Financial Management	Trust Financial Management Incurred	Balance	Outstanding Amount	Overdue for Collection in Financial Management
Financial products of securities traders	Self-owned fund	18,683.37	22,598.84	0	0
Total		18,683.37	22,598.84	0	0

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

☒ Applicable ☐ Not applicable

Unit: RMB10,000

Name of Trustee Institution (or Trustee)	Type of Trustee Institution (or Trustee)	Product Type	Amount	Source of Fund	Start Date	End Date	Direction of Capital Investment	Remuneration Determination Method	Reference Annualized Rate of Return	Expected Return (If Any)	Amount of Actual Profit or Loss During the Reporting Period	Actual Recovery of Profit or Loss During the Reporting Period	Amount of Impairment Allowance Withdrawn (If Any)	Whether Followed the Statutory Procedures	Is There Any Future Trust Financial Management Plan	Overview of Matters and Index of Related Inquiries (If Any)
CITIC Futures international Company Limited	Securities	Money market fund	15,033.06	Self-owned fund	January 6, 2025	July 24, 2025	Others	Floating yield	4.93%	409.68	0	To be recovered	0	Yes	No	For details, please refer to the Announcement on the Continued Use of Idle Proceeds and Internal Funds for Cash Management (Announcement No. 2025024) disclosed by the Company on March 31, 2025 on CNINFO.
Total			15,033.06	--	--	--	--	--	--	409.68	0	-	0	--	--	--

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

☐ Applicable ☒ Not applicable

## (2) Derivative investments

☒ Applicable ☐ Not applicable

### 1) Derivatives investment with the intention of hedging during the Reporting Period

☒ Applicable ☐ Not applicable

Unit: RMB10,000

Types of Derivative Investment	Initial Investment Amount	Opening Amount	Profits and Losses on Changes in Fair Value in the Current Period	Accumulated Changes in Fair Value Recognized in Equity	Purchase Amount During the Reporting Period	Selling Amount During the Reporting Period	Closing Amount	Proportion of Investments at the End of the Period to Net Assets of the Company at the End of the Reporting Period
Foreign exchange swap	10,777.2	0	0	0	10,777.2	10,777.2	0	0.00%
Foreign exchange options	3,675	3,675	0	0	0	3,675	0	0.00%
Total	14,452.2	3,675	0	0	10,777.2	14,452.2	0	0.00%
Description of	No significant changes							

Types of Derivative Investment	Initial Investment Amount	Opening Amount	Profits and Losses on Changes in Fair Value in the Current Period	Accumulated Changes in Fair Value Recognized in Equity	Purchase Amount During the Reporting Period	Selling Amount During the Reporting Period	Closing Amount	Proportion of Investments at the End of the Period to Net Assets of the Company at the End of the Reporting Period
accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as whether there were any significant changes compared with the previous Reporting Period								
Description of actual profit and losses during the Reporting Period	In 2025, the gains or losses generated by the derivatives invested by the Company was RMB555,100 and the fair value of the Company's derivatives was recognized according to the foreign exchange quotation of Bank of China.							
Description of hedging effects	The Company avoided the risks in the foreign exchange market through foreign exchange hedging, and the exchange fluctuations during the Reporting Period did not have a significant adverse impact on the Company.							
Sources of funds for derivative investments	Self-owned fund							
Risk analysis and description of control measures for derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>I. Risk Analysis of Foreign Exchange Hedging Business</p> <p>The Company and its subsidiaries follow the principle of conservatism in foreign exchange hedging business and do not engage in foreign exchange dealings for the purpose of speculation. All foreign exchange hedging business is based on normal production and operation, relying on specific business operations, and aiming at avoiding and preventing exchange rate risks. However, there are certain risks in foreign exchange hedging business, mainly including:</p> <p>1. Risks arising from fluctuations in exchange rates</p> <p>Due to significant fluctuations in foreign exchange market conditions, there is a market risk of substantial fluctuations in the value of foreign exchange derivatives or even potential losses caused by exchange rate volatility.</p> <p>2. Internal control risk</p> <p>Foreign exchange derivative trading is highly specialized and complex. Risks may arise due to an inadequate internal control system.</p> <p>3. Operational risk</p> <p>During the execution of specific transactions, if operators fail to accurately, timely, and completely handle and record foreign exchange derivative investment business information, it may lead to losses in foreign exchange derivative transactions or the loss of trading opportunities.</p> <p>4. Legal risk</p> <p>If traders fail to fully understand the terms of trading contracts and product information, the Company might face legal risks and trading losses as a result.</p> <p>II. Risk Control Measures to be Taken by the Company</p> <p>1. The Company adheres to the principles of safety, conservatism, moderation and reasonableness, and all foreign exchange hedging business needs a normal and reasonable business background. The foreign</p>							

Types of Derivative Investment	Initial Investment Amount	Opening Amount	Profits and Losses on Changes in Fair Value in the Current Period	Accumulated Changes in Fair Value Recognized in Equity	Purchase Amount During the Reporting Period	Selling Amount During the Reporting Period	Closing Amount	Proportion of Investments at the End of the Period to Net Assets of the Company at the End of the Reporting Period
	<p>exchange hedging business is for the purpose of hedging, and speculative behavior is eradicated completely;</p> <p>2. In order to control the risk of significant fluctuations in exchange rates, the Company will strengthen its research and analysis of exchange rates, focus on changes in the international and domestic market condition in real time, adjust the operation and business strategies in a timely manner, and avoid exchange losses to the greatest extent possible.</p> <p>3. The Finance Department of the Company is responsible for the unified management of foreign exchange hedging business, and will carry out business operations in strict accordance with the provisions of <i>Foreign Exchange Hedging Business Management System</i> to effectively ensure the implementation of the system. The specific development of foreign exchange hedging business must be based on the prudent forecast of the Company's overseas collections and payment, and the amount of foreign currency loans, and the delivery date of foreign exchange hedging business must be in line with the Company's forecast of foreign currency receipts, loan period or foreign currency payment.</p> <p>4. The Audit Department regularly supervises and inspects the foreign exchange hedging business, and reviews the actual operation, use of funds and profit and loss of the foreign exchange hedging business on a quarterly basis, and reports the review to the Audit Committee of the Board of Directors.</p>							
Changes in the market price or product fair value of invested derivatives during the Reporting Period (The specific methodology used and the setting of relevant assumptions and parameters for the analysis of the fair value of derivatives should be disclosed)	<p>In 2025, the gains or losses generated by the derivatives invested by the Company was RMB555,100, and the fair value of the Company's derivatives was recognized according to the foreign exchange quotation of Bank of China. The Company performs recognition and measurement in accordance with the provisions of <i>Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments</i> and <i>Accounting Standards for Business Enterprises No. 39 - Fair Value Measurement</i>. The fair value is basically referred to the bank pricing, and the Company performs fair value measurement and recognition on a monthly basis.</p>							
Involvement in litigation (if applicable)	N/A							
Disclosure date(s) of the announcement(s) of the Board of Directors about the approval of derivatives investment(s) (if any)	March 27, 2025							

**2) Derivatives investments with the intention of speculation during the Reporting Period**

☐ Applicable ☒ Not applicable

The Company did not engage in any derivatives investment with the intention of speculation 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 companies controlled or invested in by the Company**

☐ 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 faced by the Company and countermeasures**

For details, please refer to the part on “material risk warnings” 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
March 31, 2025	Conference Room	By telephone	Institution	118 institutional investors including GF Securities and Taiping Pension Insurance	Exchange of the Company's results in 2024	For details, please refer to the <i>Information of Yangjie Technology on Investor Relations Management</i> 20250403 (No. 2025-001) disclosed on April 3, 2025.



Reception Time	Reception Place	Reception Method	Type of Received Visitor	Received Visitors	Main Topics Discussed and Information Provided	Index to Main Inquiry Information
April 18, 2025	The online interaction platform, Value Online ( <a href="http://www.ir-online.cn/">http://www.ir-online.cn/</a> )	Online platform communication	Individual, institution	To the public	Exchange of the Company's results in 2024	For details, please refer to the <i>Information of Yangjie Technology on Investor Relations Management 20250418</i> (No. 2025-002) disclosed on April 18, 2025.
June 11, 2025	Conference Room	By telephone	Institution	53 institutional investors such as Springs Capital (Beijing) Limited, CITIC Securities	Recent updates on the Company	For details, please refer to the <i>Information of Yangjie Technology on Investor Relations Management 2025611</i> (No. 2025-003) disclosed on June 11, 2025.

## **XII. The formulation and implementation of the market value management system and valuation promotion plan**

Has the Company established a market value management system?

☒ Yes ☐ No

Has the Company disclosed a valuation improvement plan?

☐ Yes ☒ No

To further enhance the Company's market value management, regulate its market value management practices, and safeguard the legitimate rights and interests of the Company, investors, and other stakeholders, the Company convened the 14th Meeting of the Fifth Board of Directors on March 27, 2025, at which the *Proposal on Formulating the Market Value Management Policy* was reviewed and approved.

## **XIII. 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

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

Since its inception, the Company has been and centering on power semiconductors. It establishes advantages in R&D, quality, and cost and constantly pushes forward the four development strategies of “benchmarking, product leadership, operational excellence, global development”. This has resulted in a “123” strategic system of “one direction, dual-drive, and four strategies.” 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 CSIA as one of the top three enterprises among the Top Ten 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 the future, the Company will continue to uphold its mission to "Be a Reliable Solutions Partner in Power Semiconductor to Global Customers" and steadfastly cultivate the field of power semiconductors: Guided by customer and market demands, the Company will increase its R&D investments in MOSFETs, third-generation semiconductors, IGBTs, and other products, with a focus on new sectors like new energy vehicles, robotics, and AI capabilities. It will continue to deepen its "strong brands" 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. The specific measures during the Reporting Period are detailed in the "Section III Management Discussion and Analysis" of this report.

ii. Foster 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 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 filed 15 intellectual property applications (including nine domestic invention patents and six utility model patents), and was granted 70 patents (including 11 domestic invention patents, 48 utility model patents, seven integrated circuit layout designs, and four appearance design patents).

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 minority 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 the 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 has formulated the *Market Value Management Policy* and emphasized diversified means to carry out market value management activities. The Company communicated its value and responded to investor feedback through various methods, including organizing performance briefings, holding performance conference calls, conducting online and offline communication events, replying to questions on [irm.cninfo.com.cn](http://irm.cninfo.com.cn), and answering investor hotline calls. The Company actively engaged in communication and interaction with investors.

iv. Adhere 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 provided detailed disclosures on major matters such as periodic reports, the employee stock ownership plan, and the Company's share repurchase activities, ensuring timely and accurate communication of important business developments to investors. The Company has been awarded an "A" rating in the annual information assessment conducted by the SZSE for two consecutive years.

v. Take various actions to implement 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.

During the Reporting Period, the Company implemented the profit distribution for 2024, distributing a cash dividend of RMB 4.00 (tax inclusive) for every ten shares to all shareholders, with a total cash dividend distribution of RMB 216,277,792.80 (tax inclusive).

The Company also announced the profit distribution plan for the first half of 2025, under which a cash dividend of RMB 4.20 (tax inclusive) for every ten shares will be distributed to all shareholders, with a total cash dividend distribution of RMB 228,206,070.54 (tax inclusive).

In addition, during the Reporting Period, the Company implemented its share repurchase plan. As of the end of the Reporting Period, the Company had repurchased a total of 870,100 shares through centralized bidding transactions, representing 0.1601% of the Company's total share capital, at a maximum transaction price of RMB 48.63 per share and a minimum transaction price of RMB 40.35 per share, with a total transaction amount of RMB 40,983,874.00 (excluding transaction expenses).

## Section IV Corporate Governance, Environmental and Social Matters

### I. Changes in directors, supervisors and senior management members of the Company

☒Applicable ☐ Not applicable

Name	Position Held	Type	Date	Reasons
Wang Yulin	Vice President	Resigned	July 1, 2025	Personal reasons

### II. Profit distribution and capital provident fund conversion to share capital situation in this Reporting Period

☒Applicable ☐ Not applicable

Number of bonus shares to be distributed for every ten shares (share)	0
Amount to be distributed for every ten shares (RMB) (tax-inclusive)	4.2
Allocation base of the distribution plan (shares)	543,347,787
Cash dividend amount (RMB) (tax-inclusive)	228,206,070.54
Cash dividend amount in other ways (such as share repurchase) (RMB)	40,983,874.00
Total cash dividend amount (including other ways) (RMB)	269,189,944.54
Distributed profit (RMB)	2,872,905,864.02
Proportion of the total cash dividend amount (including other ways) to the total profit distribution amount	100.00%
Current Cash Dividend Distribution	
For companies in the growth stage difficult to distinguish with significant capital expenditure commitments, when distributing profits, the proportion of cash dividends in this profit distribution should be at least 20%.	
Detailed Note on the Plan for Profit Distribution or the Conversion of Capital Provident Fund Into the Share Capital	
Based on the total share capital of 543,347,787 shares as of August 18, 2025, a cash dividend of RMB4.20 (tax-inclusive) per ten shares will be distributed to all shareholders, totaling RMB228,206,070.54 (tax-inclusive). 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.	

### III. Implementation of the Company's share incentive plan, employee stock ownership plan or other employee incentive measures

☒Applicable ☐ Not applicable

#### 1. Share incentives

On March 27, 2025, the 14th Meeting of the Fifth Board of Directors and the 14th Meeting of the Fifth Board of Supervisors were held, during which the *Proposal on the Non-fulfillment of the Conditions for the Second Vesting Period under the Fourth Restricted Share Incentive Scheme and the Cancellation of Restricted Shares Granted but Not Yet Attributed* was approved. As the conditions for the second vesting period were not met, a total of 373,000 restricted shares granted but not yet vested under this incentive scheme could not be vested and were canceled by the Company.

#### 2. Implementation of employee stock ownership plan

☒Applicable ☐ Not applicable

Employee stock ownership plans effective during the Reporting Period

Scope of Employees	Number of Employees	Total Number of Shares Held	Change	Percentage of Total Share Capital of Listed Companies	Source of Funds
Directors, supervisors, senior management members, key personnel, and core staff of the Company (including subsidiaries)	500	3,421,105	/	0.63%	Special incentive fund extracted by the Company for 2025–2027

Shareholding of directors, supervisors, and senior management members in the employee stock ownership plan during the Reporting Period

Name	Position	Shares Held at the Beginning of the Reporting Period	Shares Held at the End of the Reporting Period	Percentage of Total Share Capital of Listed Companies
Chen Runsheng	Director and President	0.00	100,000	0.02%
Wang Jinxiong	Vice President	0.00	36,000	0.01%
Xu Xiaobing	Director and Vice President	0.00	30,000	0.01%
Liang Yao	Vice Chairman	0.00	24,000	0.00%
Liu Congning	Vice Chairman and Vice President	0.00	24,000	0.00%
Dai Juan	Vice President and Chief Financial Officer	0.00	24,000	0.00%
Shen Ying	Vice President	0.00	24,000	0.00%
Fan Fengbin	Board Secretary and Chairman Assistant	0.00	15,000	0.00%
Xu Ping	Chairman of the Board of Supervisors	0.00	9,000	0.00%
Hua Wei	Supervisor	0.00	3,600	0.00%

Changes in asset management institutions during the Reporting Period

☐ Applicable ☒ Not applicable

Equity changes due to shareholder disposal of shares, etc., during the Reporting Period

☐ Applicable ☒ Not applicable

Shareholders' rights exercise during the Reporting Period

Not applicable

Other related situations of employee stock ownership plans during the Reporting Period

☐ Applicable ☒ Not applicable

Changes in the employee stock ownership plan management committee members

☐ Applicable ☒ Not applicable

Financial impact and relevant accounting treatment of the employee stock ownership plan on the listed company during the Reporting Period

☐ Applicable ☒ Not applicable

## Termination of employee stock ownership plans during the Reporting Period

☐ Applicable ☒ Not applicable

Other notes:

N/A

## 3. Other incentive measures for employees

☐ Applicable ☒ Not applicable

## IV. Environmental information disclosure

Whether the listed company and its major subsidiaries are included in the list of enterprises legally required to disclose environmental information

☒ Yes ☐ No

Number of enterprises included in the list of enterprises legally required to disclose environmental information		2
No.	Company Name	Environmental Information Disclosure Report Index
1	Yangzhou Yangjie Electronic Technology Co., Ltd.	Enterprise Environmental Information Disclosure System: - http://ywxt.sthjt.jiangsu.gov.cn:18181/sparchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fsparchive-webapp%2Fweb%2Fsp%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&year=2024&ticket=d1bf9680418e444b9bb5acb658acda60&versionId=DB0CD83768F6400D888957F8ED996C27&spCode=3210030201004808
2	Yangzhou J&V Semiconductor Company	Enterprise Environmental Information Disclosure System: - http://ywxt.sthjt.jiangsu.gov.cn:18181/sparchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fsparchive-webapp%2Fweb%2Fsp%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&year=2024&ticket=a858989ce47548faaccf58caae40e38f&versionId=E265BCA589804A4A8ED57A027103E722&spCode=3210030200004564

## V. Social responsibility

N/A

## Section V Significant Events

### **I. Commitments of the Company's de facto controllers, shareholders, related parties and acquirers, the Company itself and other relevant entities fulfilled during the Reporting Period or remaining 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 during the Reporting Period or ongoing at the end of the Reporting Period.

### **II. Information on the misappropriation of the listed company's funds by its 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**

If the semi-annual financial statement has been audited

☐ Yes ☒ No

This Semi-annual Report of the Company has not been audited.

### **V. Notes by the Board of Directors, Board of Supervisors, and Audit Committee on the "Non-Standard Auditor's Report" issued by the accounting firm for this Reporting Period**

☐ Applicable ☒ Not applicable

### **VI. Notes by the Board of Directors on the "Non-standard Auditor's 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 in the year.

Other litigation

☐ Applicable ☒ Not applicable

## **IX. Punishment and remediation**

☐ Applicable ☒ Not applicable

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

## **X. Integrity of the Company and its controlling shareholders and de facto controller**

☐ 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 connected parties.

### **6. Business between financial companies controlled by the Company and the Company's related parties**

☐ Applicable ☒ Not applicable

There was no deposit business, loan business, credit business, or other financial businesses between financial companies controlled by the Company and the Company's related parties.

### **7. Other major related-party transactions**

☐ Applicable ☒ Not applicable



There were no other major related-party transactions during the Reporting Period.

## **XII. Major contracts and execution thereof**

### **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

The Company had no material guarantee business during the Reporting Period.

### **3. Material contracts in day-to-day management**

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

### **4. Other material contracts**

☐ Applicable ☒ Not applicable

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

## **XIII. Notes on other significant events**

☒ Applicable ☐ Not applicable

1. The Company convened the 12th Meeting of the Fifth Board of Directors on February 8, 2025, during which the *Proposal on the Share Repurchase Plan* was approved. The Company plans to use its own funds or self-raised funds to repurchase a portion of public shares through centralized bidding transactions, intended for stock incentive plans or employee stock ownership plans (hereinafter referred to as this “Repurchase”). The total amount allocated for this Repurchase will not be less than RMB40 million (inclusive) and not more than RMB80 million (inclusive), with a repurchase price not exceeding RMB58 per share (inclusive). Based on the maximum repurchase price of RMB58 per

share, when the total repurchase funds are at the lower limit of RMB40 million, it is estimated that approximately 689,656 shares will be repurchased, representing 0.13% of the Company's current total share capital; when the total repurchase funds reach the upper limit of RMB80 million, it is estimated that approximately 1,379,310 shares will be repurchased, representing 0.25% of the Company's current total share capital. The repurchase shall be implemented within 12 months after the date on which the Company's Board of Directors approves the share repurchase plan. For details, see the *Proposal on the Share Repurchase Plan* disclosed by the Company on CNINFO (www.cninfo.com.cn). As of the end of the Reporting Period, this share repurchase has been completed.

2. On March 26, 2025, the Company held the 13th Meeting of the Fifth Board of Directors, which approved the *Proposal Regarding the Company's Compliance with the Relevant Legal and Regulatory Conditions for Issuing Shares and Paying Cash to Acquire Assets and Raise Matching Funds*. The Company plans to acquire 100% equity of Dongguan Better Electronics Technology Co., Ltd. through issuing shares and paying cash, and to raise matching funds. However, due to changes in the capital market environment, the number of counterparties has increased, and the transaction parties have not yet agreed on the terms of the share issuance and cash payment for the acquisition. Based on the current negotiation progress, audit evaluation work, and other factors, it is expected that the share issuance acquisition will not be completed within this year. In order to protect the interests of the Company and its investors, improve transaction efficiency, and reduce transaction costs, and after careful consideration of the actual situation of the transaction and the capital market environment, the Company and the main counterparties have decided to terminate this share issuance and cash payment acquisition. The Company will separately negotiate to acquire the entire or part of the target company's equity in cash. Please refer to the *Announcement Regarding the Continued Negotiation for the Cash Acquisition of Assets and the Termination of the Share Issuance, Cash Payment Acquisition of Assets, and Fundraising Matters* disclosed on CNINFO (www.cninfo.com.cn).

#### **XIV. Significant events of the Company's subsidiaries**

☒Applicable ☐ Not applicable

1. Due to business development needs, Chengdu Qingyang Electronic Materials Co., Ltd. held a shareholders' meeting and agreed to adjust the company's business scope to: General items: Manufacture of electronic special materials, R&D of electronic special materials, sales of electronic special materials and electronic special equipment, wholesale of electronic components, sales of power electronic components, semiconductor discrete devices, and integrated circuit chips and products, import and export of goods. (Business activities shall be conducted independently in accordance with laws with the business license, except the items that require approval in accordance with laws). Chengdu Qingyang Electronic Materials Co., Ltd. completed the industrial and commercial change registration on April 2, 2025.

2. Due to business development needs, Yangzhou Jiejia Electronic Materials Co., Ltd. held a shareholders' meeting and agreed to adjust the company's business scope to: General items: Manufacture of electronic special materials, sales of electronic special materials, R&D of electronic special materials, technology services, development, consulting, exchange, transfer, and promotion, manufacture and sales of power electronic components, R&D of new material technologies, manufacture and sales of metal materials, rubber products and metal structures, metal surface treatment and heat treatment processing, manufacture and sales of seals and plastic products, sales, repair and R&D of metal products, manufacture and wholesale of electronic components, import and export of goods and technologies, import and export agency, technology promotion services, scientific and technological promotion and application services, special equipment repair, general equipment repair, sale of mechanical parts and components, installation and repair of industrial robots,

sales of renewable resources, processing of renewable resources, manufacture and sales of industrial automatic control systems, sales of intelligent robots, industrial robots, and intelligent storage equipment, R&D of mechanical equipment, sales of optical instruments, manufacture and sales of semiconductor device special equipment, manufacture of intelligent basic manufacturing equipment, R&D and retail of hardware products, sales of photovoltaic equipment and components, manufacture of special equipment (excluding licensed professional equipment), manufacture and sales of mechanical and electrical equipment, and environmental monitoring instruments, sales of bearings, gears, and transmission parts, daily miscellaneous goods, instruments and meters, and electronic special equipment (Except for items that require approval according to law, business activities are carried out independently in accordance with the business license.) Yangzhou Jiejia Electronic Materials Co., Ltd. completed the industrial and commercial change registration on April 18, 2025.

3. In order to further expand the Company's business layout, the Company's controlling subsidiary, Hunan Jiechuwei Semiconductor Technology Co., Ltd., signed a share transfer agreement with Changsha Luvalley Construction Development Co., Ltd., under which Changsha Luvalley Construction Development Co., Ltd. agreed to transfer 100% of its equity in Changsha Bodian Energy Technology Co., Ltd. to Hunan Jiechuwei Semiconductor Technology Co., Ltd. This matter was completed with the industrial and commercial change registration on April 28, 2025.

4. Due to business changes, Wuxi Jiexiwei Semiconductor Technology Co., Ltd. held a shareholders' meeting and decided that the original shareholder Wuxi Jiemi Electronic Technology Partnership Enterprise (Limited Partnership) would exit, and the registered capital would be reduced from RMB20 million to RMB11 million. This matter was completed with the industrial and commercial change registration on May 23, 2025.

5. Due to business development needs, Hunan Jiechuwei Semiconductor Technology Co., Ltd. held a shareholders' meeting and decided to change the company's legal representative from Chen Runsheng to Liu Hua. Hunan Jiechuwei Semiconductor Technology Co., Ltd. completed the industrial and commercial change registration on June 16, 2025.

## Section VI Share Changes and Shareholder Status

## I. Movement in share capital

## 1. Share changes

Unit: share

	Before the Change		Increase/Decrease During the Period (+/-)					After the Change	
	Quantity	Proportion	New Shares Issued	Bonus Shares	Bonus Issue From Profit	Others	Subtotal	Quantity	Proportion
I. Shares subject to trading moratorium	1,199,927	0.22%	0	0	0	0	0	1,199,927	0.22%
1. State-held shares	0	0.00%	0	0	0	0	0	0	0.00%
2 Shares held by state-own legal person	0	0.00%	0	0	0	0	0	0	0.00%
3 Shares held by other domestic investors	1,196,552	0.22%	0	0	0	0	0	1,196,552	0.22%
Including: Shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	1,196,552	0.22%	0	0	0	0	0	1,196,552	0.22%
4. Foreign-held shares	3,375	0.00%	0	0	0	0	0	3,375	0.00%
Among which: Shares held by oversea legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by oversea natural person	3,375	0.00%	0	0	0	0	0	3,375	0.00%
II Unrestricted shares	542,147,860	99.78%	0	0	0	0	0	542,147,860	99.78%
1. RMB ordinary shares	542,147,860	99.78%	0	0	0	0	0	542,147,860	99.78%
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%

	Before the Change		Increase/Decrease During the Period (+/-)					After the Change	
	Quantity	Proportion	New Shares Issued	Bonus Shares	Bonus Issue From Profit	Others	Subtotal	Quantity	Proportion
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III Total shares	543,347,787	100.00%	0	0	0	0	0	543,347,787	100.00%

Reason for share changes

☐ Applicable ☒ Not applicable

Approval of share changes:

☐ Applicable ☒ Not applicable

Transfer of share ownership:

☐ Applicable ☒ Not applicable

Implementation progress of share repurchase

☒ Applicable ☐ Not applicable

The Company convened its 12th Meeting of the Fifth Board of Directors on February 14, 2025, and reviewed and approved the *Proposal on the Share Repurchase Plan*. The Proposal agreed that the Company would use its own funds or self-raised funds to repurchase a portion of its publicly traded shares through centralized bidding, which would be used to implement employee stock ownership plans or equity incentives. The total amount allocated for this Repurchase will not be less than RMB40 million (inclusive) and not more than RMB80 million (inclusive), with a repurchase price not exceeding RMB58 per share (inclusive). The repurchase shall be implemented within 12 months after the date on which the Company's Board of Directors approves the share repurchase plan. For further details, please refer to the Company's *Announcement on the Share Repurchase Plan* (Announcement No. 2025-003) and *Share Repurchase Report* (Announcement No. 2025-007), which were published on CNINFO (www.cninfo.com.cn) on February 17, 2025, and February 28, 2025, respectively.

The Company repurchased 48,900 shares of its own stock on April 8, 2025, through a dedicated repurchase securities account through centralized bidding. For further details, please refer to the Company's *Announcement on the First Repurchase of Shares* (Announcement No.: 2025-032) disclosed on April 9, 2025, on CNINFO (www.cninfo.com.cn). The actual repurchase period is from April 8, 2025, to May 23, 2025. As of the date of this announcement, the Company has repurchased a total of 870,100 shares of its own stock through a dedicated repurchase securities account via centralized bidding, representing 0.1601% of the Company's current total issued share capital. Specifically, the highest transaction price was RMB48.63 per share, while the lowest was RMB40.35 per share. The total transaction amount was RMB40,983,874.00 (excluding transaction fees).

Implementation progress of the reduction of repurchased shares through centralized bidding

☐ 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 disclosable contents that the Company deemed necessary or were required by securities regulation institute

☐ Applicable ☒ Not applicable

## 2. Changes of restricted shares

☐ Applicable ☒ Not applicable

## II. Issuance and listing of securities

☐ Applicable ☒ Not applicable

## III. Number of the Company's shareholders and their shareholdings

Unit: share

Total number of common shareholders at the end of the Reporting Period	56,312		Total 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
Shareholdings by Shareholders Holding More Than 5% of the Shares or the Top Ten Shareholders (Excluding Shares Lent Through Refinancing)								
Name of Shareholder	Nature of Shareholder	Shareholding	Quantity of Holding Shares at the End of the Reporting Period	Changes During the Reporting Period	Shares Restricted in Terms of Sales	Shares Without Restriction on Sales	Shares Pledged, Marked, or Frozen	
							Status of Share	Quantity
Jiangsu Yangjie Investment Co., Ltd.	Domestic non-state-owned legal person	36.10%	196,151,100.00	0.00	0.00	196,151,100.00	N/A	0.00
Jianshui County Jiejie Enterprise Management Co., Ltd.	Domestic non-state-owned legal person	11.73%	63,723,520.00	0.00	0.00	63,723,520.00	Pledge	2,250,000.00
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	1.46%	7,921,453.00	2,332,962.00	0.00	7,921,453.00	N/A	0.00
Industrial and Commercial Bank of China Limited–E Fund Growth Enterprise Market (GEM) Exchange Traded Fund (ETF)	Others	1.33%	7,200,905.00	767,337.00	0.00	7,200,905.00	N/A	0.00
Agricultural Bank of China Limited–CSI 500 Exchange Traded Fund	Others	0.89%	4,845,759.00	220,900.00	0.00	4,845,759.00	N/A	0.00

(ETF)								
Agricultural Bank of China Limited - Guotai Smart Car Equity Investment Fund	Others	0.70%	3,790,041.00	1,779,600.00	0.00	3,790,041.00	N/A	0.00
Wang Yan	Domestic natural person	0.69%	3,766,000.00	0.00	0.00	3,766,000.00	N/A	0.00
Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund	Others	0.64%	3,457,357.00	203,391.00	0.00	3,457,357.00	N/A	0.00
China Construction Bank Corporation – Huaan ChiNext 50 Exchange-Traded Open Index Securities Investment Fund	Others	0.50%	2,727,041.00	595,600.00	0.00	2,727,041.00	N/A	0.00
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu No.1 Private Equity Securities Investment Fund	Others	0.47%	2,553,272.00	N/A	0.00	2,553,272.00	N/A	0.00
A strategic investor or ordinary legal person becomes the top ten shareholders due to rights issue (if any) (see Note 3)	N/A.							
Explanations on the connected relationship or concerted action among the shareholders mentioned above	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; 2. Ms. Wang Yan is the sister of Ms. Liang Qin's spouse; 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> .							
Description of the above shareholders involved in proxy/trustee voting rights	N/A							

and waiver of voting rights			
Special explanation on whether the top ten shareholders have special accounts of repurchase (see Note 11)	As of the end of the reporting period, Yangzhou Yangjie Electronic Technology Co., Ltd. held 3,421,105.00 shares without restrictions on transfer in its repurchase dedicated securities account, representing a shareholding ratio of 0.63%. In accordance with relevant regulations, the repurchase dedicated securities account shall not be included in the list of the top ten shareholders.		
Shareholdings of Top Ten	Unlimited Shareholders (Excluding Shares Lent through Refinancing and Management Lock-up Shares)		
Name of Shareholder	Number of Shares Not Subject to Selling Restrictions Held at the End of the Reporting Period	Type of Shares	
		Type of Shares	Quantity
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.	7,921,453.00	RMB ordinary shares	7,921,453.00
Industrial and Commercial Bank of China Limited–E Fund Growth Enterprise Market (GEM) Exchange Traded Fund (ETF)	7,200,905.00	RMB ordinary shares	7,200,905.00
Agricultural Bank of China Limited–CSI 500 Exchange Traded Fund (ETF)	4,845,759.00	RMB ordinary shares	4,845,759.00
Agricultural Bank of China Limited - Guotai Smart Car Equity Investment Fund	3,790,041.00	RMB ordinary shares	3,790,041.00
Wang Yan	3,766,000.00	RMB ordinary shares	3,766,000.00
Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund	3,457,357.00	RMB ordinary shares	3,457,357.00
China Construction Bank Corporation – Huaan ChiNext 50 Exchange-Traded Open Index Securities Investment Fund	2,727,041.00	RMB ordinary shares	2,727,041.00
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu No.1 Private Equity Securities Investment Fund	2,553,272.00	RMB ordinary shares	2,553,272.00
Explanation on the affiliation or concerted action among the top ten shareholders of floating stocks not subject to selling restrictions, and among these shareholders and the top ten shareholders	Ditto		
Description of the top ten ordinary shareholders participating in margin trading and securities lending (if any) (see Note 4)	N/A		



Participation of shareholders with a shareholding bigger than 5%, the top ten shareholders, and the top ten shareholders of non-restricted tradable shares in the lending of shares through refinancing

☐ Applicable ☒ Not applicable

Changes in the top ten shareholders and the top ten shareholders of non-restricted tradable shares 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 ten ordinary shareholders, and top ten ordinary shareholders not subject to trading moratorium, conducted agreed repurchase transactions during the Reporting Period?

☐ Yes ☒ No

The top ten shareholders of ordinary shares and the top ten shareholders of ordinary shares not subject to trading moratorium of the Company did not make any agreed repurchase transactions during the Reporting Period.

#### **IV. Changes in shareholdings of directors, supervisors, and senior management members**

☐ Applicable ☒ Not applicable

There were no changes in the shareholdings of the Company's directors, supervisors, and senior management members during the Reporting Period. For details, please refer to the 2024 Annual Report.

#### **V. Changes in controlling shareholders or de facto controllers**

Changes of controlling shareholders during the Reporting Period

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

#### **VI. Relevant information about preferred shares**

☐ Applicable ☒ Not applicable

The Company had no preferred shares during the Reporting Period.

## **Section VII Relevant Information about Bonds**

☐ Applicable ☒ Not applicable

## Section VIII Financial Statements

### I. Auditor's report

Whether the Semi-Annual Report has been audited

☐ Yes ☒ No

The Company's Semi-Annual Financial Report was not 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, 2025

Unit: RMB

Item	Closing Balance	Opening Balance
Current assets:		
Cash and bank balances	4,565,947,680.80	3,942,231,888.63
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	229,323,600.00	248,289,829.99
Derivative financial assets		
Notes receivable	20,311,310.39	22,118,258.88
Accounts receivable	2,003,083,793.35	1,875,353,558.04
Receivables financing	187,673,500.40	221,615,999.99
Advances paid	28,177,718.13	26,082,059.32
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	17,220,804.29	18,236,464.28
Including: Interest receivable		
Dividend receivable		
Financial assets under reverse repo		
Inventories	1,289,952,294.37	1,227,175,102.44
Including: Data resources		
Contract assets	1,104,772.28	1,104,772.28
Assets held for sale		
Non-current assets due within one year		
Other current assets	93,675,049.27	164,276,158.50
Total current assets	8,436,470,523.28	7,746,484,092.35
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	18,797,967.26	18,797,967.26
Other equity instrument investments		
Other non-current financial assets	711,979,293.47	696,898,681.49
Investment property		
Fixed assets	3,670,936,536.37	3,467,212,945.22
Construction in progress	1,676,031,460.55	1,359,312,665.99
Productive biological assets		

Item	Closing Balance	Opening Balance
Oil & gas assets		
Right-of-use assets	23,153,298.44	96,199,205.86
Intangible assets	277,474,548.22	198,961,777.64
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	301,699,477.28	301,940,405.03
Long-term prepayments	163,871,258.95	132,059,342.92
Deferred tax assets	11,231,464.19	9,756,520.28
Other non-current assets	242,184,241.12	243,996,762.87
Total non-current assets	7,097,359,545.85	6,525,136,274.56
Total assets	15,533,830,069.13	14,271,620,366.91
Current liabilities:		
Short-term borrowings	1,589,423,795.01	1,056,002,216.99
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	305,035,852.04	424,034,769.86
Accounts payable	1,964,633,519.22	1,567,952,586.19
Advances received		
Contract liabilities	13,640,858.13	11,243,387.05
Financial assets under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	162,175,999.40	213,434,023.08
Taxes and rates payable	80,728,188.97	60,692,578.43
Other payables	63,903,466.98	59,613,183.59
Including: Interest payable		
Dividends payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	527,832,916.04	465,262,145.91
Other current liabilities	1,077,878.11	3,966,129.45
Total current liabilities	4,708,452,473.90	3,862,201,020.55
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	611,546,264.85	523,744,408.78
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	17,508,158.29	78,803,045.30
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	248,799,832.04	202,793,634.62
Deferred tax liabilities	226,663,618.07	225,407,489.16
Other non-current liabilities	215,800,000.00	215,800,000.00
Total non-current liabilities	1,320,317,873.25	1,246,548,577.86
Total liabilities	6,028,770,347.15	5,108,749,598.41
Owners' equity:		
Share capital	543,347,787.00	543,347,787.00
Other equity instruments		

Item	Closing Balance	Opening Balance
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,066,993,433.97	4,066,993,433.97
Less: Treasury shares	131,512,027.80	90,528,153.80
Other comprehensive income	31,927,430.48	26,092,399.71
Special reserve		
Surplus reserve	271,673,893.50	271,673,893.50
General risk reserve		
Undistributed profit	4,332,036,522.17	3,946,969,152.74
Total equity attributable to the owners of the parent company	9,114,467,039.32	8,764,548,513.12
Non-controlling interest	390,592,682.66	398,322,255.38
Total owners' equity	9,505,059,721.98	9,162,870,768.50
Total liabilities and owners' equity	15,533,830,069.13	14,271,620,366.91

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	3,237,588,657.69	2,636,421,975.78
Held-for-trading financial assets	40,000,000.00	210,000,000.00
Derivative financial assets		
Notes receivable	17,579,192.57	10,747,369.62
Accounts receivable	1,884,192,260.51	1,774,713,697.89
Receivables financing	91,341,775.55	116,152,796.29
Advances paid	21,218,254.03	65,546,606.29
Other receivables	488,827,585.16	119,846,459.88
Including: Interest receivable		
Dividend receivable		
Inventories	898,559,714.66	846,750,571.76
Including: Data Resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	7,342,279.20	90,342,393.80
Total current assets	6,686,649,719.37	5,870,521,871.31
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,266,615,211.41	2,264,515,211.41
Other equity instrument investments		
Other non-current financial assets	711,979,293.47	696,898,681.49
Investment property		
Fixed assets	1,673,860,032.61	1,806,638,422.53
Construction in progress	363,567,419.08	161,825,094.13
Productive biological assets		
Oil & gas assets		
Right-of-use assets		
Intangible assets	54,719,879.97	54,163,989.12
Including: Data resources		

Item	Closing Balance	Opening Balance
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepayments	85,982,662.86	70,654,806.40
Deferred tax assets		
Other non-current assets	233,980,402.26	221,709,736.89
Total non-current assets	5,390,704,901.66	5,276,405,941.97
Total assets	12,077,354,621.03	11,146,927,813.28
Current liabilities:		
Short-term borrowings	1,203,433,009.62	227,134,028.22
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	271,925,955.30	618,967,069.99
Accounts payable	1,433,736,074.35	1,123,054,834.01
Advances received		
Contract liabilities	38,571,724.23	37,241,398.37
Employee benefits payable	88,325,554.53	123,259,091.81
Taxes and rates payable	46,338,771.50	46,284,318.16
Other payables	159,931,686.25	348,785,730.84
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	297,571,000.00	398,821,000.00
Other current liabilities	4,420,712.26	4,448,067.71
Total current liabilities	3,544,254,488.04	2,927,995,539.11
Non-current liabilities:		
Long-term borrowings	397,799,405.45	304,597,852.55
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	179,104,923.38	149,757,475.83
Deferred tax liabilities	109,768,307.44	117,196,153.60
Other non-current liabilities	215,800,000.00	215,800,000.00
Total non-current liabilities	902,472,636.27	787,351,481.98
Total liabilities	4,446,727,124.31	3,715,347,021.09
Owners' equity:		
Share capital	543,347,787.00	543,347,787.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,074,211,980.00	4,074,211,980.00
Less: Treasury shares	131,512,027.80	90,528,153.80
Other comprehensive income		
Special reserve		
Surplus reserve	271,673,893.50	271,673,893.50
Undistributed profit	2,872,905,864.02	2,632,875,285.49
Total owners' equity	7,630,627,496.72	7,431,580,792.19
Total liabilities and owners' equity	12,077,354,621.03	11,146,927,813.28

### 3. Consolidated income statement

Unit: RMB

Item	Half-Year 2025	Half-Year 2024
I. Total operating revenue	3,454,861,057.06	2,865,255,202.25
Including: Operating revenue	3,454,861,057.06	2,865,255,202.25
Interest income		
Premiums earned		
Revenue from handling fees and commission		
II. Total operating cost	2,816,729,857.81	2,422,706,768.36
Including: Operating cost	2,287,590,616.58	2,016,355,217.93
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	20,958,009.20	17,527,976.80
Selling expenses	143,170,526.86	117,743,142.36
Administrative expenses	167,699,595.94	138,703,456.07
R&D expenses	220,430,540.43	197,269,591.86
Financial expenses	-23,119,431.20	-64,892,616.66
Including: Interest expenses		
Interest income		
Add: Other income	53,748,120.14	73,953,140.87
Investment income (losses are expressed with "-")	10,777,517.45	793,864.70
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 "-")	35,800,720.64	-12,751,241.12
Credit impairment loss (losses are expressed with "-")	-10,539,922.91	-7,353,933.54
Assets impairment loss (losses are expressed with "-")	-27,689,181.53	-2,318,149.43
Gains on asset disposal (losses are expressed with "-")	373,370.12	2,103,120.75
III. Operating profit (losses are expressed with "-")	700,601,823.16	496,975,236.12
Add: Non-operating revenue	4,841,322.20	6,046,142.11
Less: Non-operating expenditures	9,377,331.91	3,090,278.79
IV. Total profit (total losses are expressed with "-")	696,065,813.45	499,931,099.44
Less: Income tax	99,188,220.52	77,249,370.26
V. Net profit (net losses are expressed with "-")	596,877,592.93	422,681,729.18
i. Classified by operation continuity		
1. Net profit from continuing operations (net losses are expressed with "-")	596,877,592.93	422,681,729.18

Item	Half-Year 2025	Half-Year 2024
2. Net profit from discontinuing operations (net losses are expressed with “-”)		
ii. Categorized by ownership		
1. Net profit attributable to shareholders of parent company (net losses are expressed with “-”)	601,345,162.23	424,843,451.68
2. Net profit attributable to non-controlling shareholders (net losses are expressed with “-”)	-4,467,569.30	-2,161,722.50
VI. Other comprehensive income after tax	5,835,030.77	-146,655.17
Net of other comprehensive income after tax, attributable to owners of the parent company	5,835,030.77	-146,655.17
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	5,835,030.77	-146,655.17
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	5,835,030.77	-146,655.17
7. Others		
Net of tax of other comprehensive income attributable to non-controlling interests		
VII. Total comprehensive income	602,712,623.70	422,535,074.01
Total comprehensive income attributable to owners of the parent company	607,180,193.00	424,696,796.51
Total comprehensive income attributable to non-controlling interests	-4,467,569.30	-2,161,722.50
VIII. Earnings per share (EPS)		
i. Basic EPS	1.12	0.78
ii. Diluted EPS	1.12	0.78

Amongst business combination under common control in the current period, the net profit achieved by the mergee 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	Half-Year 2025	Half-Year 2024
I. Operating revenue	2,968,205,060.79	2,467,885,352.95
Less: Operating cost	2,170,500,432.71	1,936,900,331.58
Taxes and surcharges	13,621,425.10	11,472,451.66
Selling expenses	65,017,183.14	46,991,042.27
Administrative expenses	98,923,743.48	87,086,906.22
R&D expenses	121,733,921.22	107,633,600.83
Financial expenses	-22,544,342.35	-41,981,192.49
Including: Interest expenses		
Interest income		
Add: Other income	37,221,983.22	57,028,672.70
Investment income (losses are expressed with "-")	9,256,943.57	31,215,553.43
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 "-")	15,080,611.98	-11,368,729.48
Credit impairment loss (losses are expressed with "-")	-35,884,354.86	-13,206,889.19
Assets impairment loss (losses are expressed with "-")	-24,520,696.52	-2,654,592.07
Gains on asset disposal (losses are expressed with "-")	1,008,243.98	498,325.36
II. Operating profit (losses are expressed with "-")	523,115,428.86	381,294,553.63
Add: Non-operating revenue	4,986,961.61	3,650,805.23
Less: Non-operating expenditures	8,430,955.16	1,622,406.53
III. Total profit (total losses are expressed with "-")	519,671,435.31	383,322,952.33
Less: Income tax	63,363,063.98	48,327,330.60
IV. Net profit (net losses are expressed with "-")	456,308,371.33	334,995,621.73
i. Net profit from continuing operations (net losses are expressed with "-")	456,308,371.33	334,995,621.73
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		

Item	Half-Year 2025	Half-Year 2024
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	456,308,371.33	334,995,621.73
VII. Earnings per share (EPS):		
i. Basic EPS		
ii. Diluted EPS		

## 5. Consolidated statement of cash flows

Unit: RMB

Item	Half-Year 2025	Half-Year 2024
I. Cash flows from operating activities:		
Cash receipts from sale of goods and the rendering of services	2,992,639,732.28	2,195,537,647.71
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	22,348,721.46	43,445,915.70
Cash received relating to other operating activities	167,596,738.47	91,686,457.98
Subtotal of cash inflows from operating activities	3,182,585,192.21	2,330,670,021.39
Cash paid for purchase of goods and services	1,499,319,260.97	1,068,238,843.76
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		

Item	Half-Year 2025	Half-Year 2024
commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	687,996,114.66	578,829,705.78
Cash payments for taxes and rates	132,962,702.71	90,470,201.00
Other cash payments related to operating activities	104,816,310.34	64,993,835.44
Subtotal of cash outflows from operating activities	2,425,094,388.68	1,802,532,585.98
Net cash flows from operating activities	757,490,803.53	528,137,435.41
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	10,010,565.44	3,857,765.37
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	846,015.20	1,863,347.40
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	335,023,731.27	50,641,840.48
Subtotal of cash inflows from investing activities	345,880,311.91	56,362,953.25
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	703,707,503.47	339,601,419.40
Cash payments for investments		50,000,000.00
Net increase in pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units	32,201,498.54	
Other cash payments related to investing activities	204,995,113.61	38,757,129.69
Subtotal of cash outflows from investing activities	940,904,115.62	428,358,549.09
Net cash flows from investing activities	-595,023,803.71	-371,995,595.84
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		17,274,976.00
Including: Cash received by subsidiaries from non-controlling shareholders as investments		5,820,000.00
Cash receipts from borrowings	1,353,071,386.90	1,145,000,000.00
Other cash receipts related to financing activities		0.00
Subtotal of cash inflows from financing activities	1,353,071,386.90	1,162,274,976.00
Cash payments for the repayment of borrowings	769,877,500.00	625,795,000.00
Cash payments for distribution of dividends or profits and for interest expenses	246,523,341.25	361,541,461.85
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		
Other cash payments related to financing activities	43,130,888.19	35,027,331.90
Subtotal of cash outflows from financing activities	1,059,531,729.44	1,022,363,793.75
Net cash flows from financing activities	293,539,657.46	139,911,182.25
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-9,696,226.35	16,708,314.97
V. Net increase in cash and cash equivalents	446,310,430.93	312,761,336.79

Item	Half-Year 2025	Half-Year 2024
Add: Opening balance of cash and cash equivalents	3,854,854,923.00	3,474,836,947.19
VI. Closing balance of cash and cash equivalents	4,301,165,353.93	3,787,598,283.98

## 6. Parent company statement of cash flows

Unit: RMB

Item	Half-Year 2025	Half-Year 2024
I. Cash flows from operating activities:		
Cash receipts from sale of goods and the rendering of services	2,479,023,428.30	1,983,957,497.67
Tax refunds received	13,416,413.73	
Cash received relating to other operating activities	130,940,015.94	45,225,046.23
Subtotal of cash inflows from operating activities	2,623,379,857.97	2,029,182,543.90
Cash paid for purchase of goods and services	1,450,648,777.77	1,071,891,158.25
Cash paid to and on behalf of employees	336,362,005.98	294,830,378.37
Cash payments for taxes and rates	89,873,979.29	50,054,638.69
Other cash payments related to operating activities	42,064,951.28	37,200,638.08
Subtotal of cash outflows from operating activities	1,918,949,714.32	1,453,976,813.39
Net cash flows from operating activities	704,430,143.65	575,205,730.51
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	7,907,319.64	33,857,765.37
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	846,015.20	
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	268,091,912.21	52,863,973.56
Subtotal of cash inflows from investing activities	276,845,247.05	86,721,738.93
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	185,202,578.58	135,121,351.63
Cash payments for investments	2,100,000.00	50,000,000.00
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	448,850,000.00	137,922,778.30
Subtotal of cash outflows from investing activities	636,152,578.58	323,044,129.93
Net cash flows from investing activities	-359,307,331.53	-236,322,391.00
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		11,454,976.00
Cash receipts from borrowings	1,100,201,552.90	766,000,000.00
Other cash receipts related to financing activities		118,175,451.67
Subtotal of cash inflows from financing activities	1,100,201,552.90	895,630,427.67

Item	Half-Year 2025	Half-Year 2024
Cash payments for the repayment of borrowings	546,250,000.00	321,950,000.00
Cash payments for distribution of dividends or profits and for interest expenses	233,572,381.11	337,552,130.88
Other cash payments related to financing activities	41,000,000.00	30,565,896.79
Subtotal of cash outflows from financing activities	820,822,381.11	690,068,027.67
Net cash flows from financing activities	279,379,171.79	205,562,400.00
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-8,963,552.27	9,921,601.04
V. Net increase in cash and cash equivalents	615,538,431.64	554,367,340.55
Add: Opening balance of cash and cash equivalents	2,569,519,852.67	1,849,853,581.57
VI. Closing balance of cash and cash equivalents	3,185,058,284.31	2,404,220,922.12

## 7. Consolidated statement of changes in equity

Amount during the current period

Unit: RMB

Item	Half-Year 2025															
	Equity Attributable to Parent Company												Non-controlling Interest	Total Owners' equity		
	Share Capital	Preferred Shares	Other Equity Instruments	Perpetual Bonds	Others	Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profit			Others	Subtotal
I. Balance at the end of prior year	543,347,787.00					4,066,993,433.97	90,528,153.80	26,092,399.71		271,673,893.50		3,946,969,152.74		8,764,548,513.12	398,322,255.38	9,162,870,768.50
Add: Cumulative changes of accounting policies																
Error correction of prior period																
Others																
II. Opening balance of current year	543,347,787.00					4,066,993,433.97	90,528,153.80	26,092,399.71		271,673,893.50		3,946,969,152.74		8,764,548,513.12	398,322,255.38	9,162,870,768.50
III. Current period increase (decrease is expressed with "-")							40,983,874.00	5,835,030.77				385,067,369.43		349,918,526.20	7,729,572.72	-342,188,953.48
i. Total comprehensive income								5,835,030.77				601,345,162.23		607,180,193.00	4,467,569.30	-602,712,623.70
ii. Capital contributed or withdrawn by owners																
1. Ordinary shares contributed by owners																
2. Capital contributed by holders of other equity instruments																
3. Amount of share-based payment included in equity																
4. Others																
iii. Profit distribution												216,277,792.80		216,277,792.80	3,262,003.42	-219,539,796.22
1. Appropriation of surplus reserve																
2. Appropriation of general risk reserve																
3. Appropriation of profit to owners (or shareholders)												216,277,792.80		216,277,792.80	3,262,003.42	-219,539,796.22
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																

Item	Half-Year 2025													
	Equity Attributable to Parent Company													Non-controlling Interest
	Share Capital	Other Equity Instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profit	Others	Subtotal	
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						40,983,874.00							40,983,874.00	40,983,874.00
IV. Closing Balance of Current Period	543,347,787.00				4,066,993,433.97	131,512,027.80	31,927,430.48		271,673,893.50		4,332,036,522.17		9,114,467,039.32	9,505,059,726.66

Amount of prior year

Unit: RMB

Item	Half-Year 2024													
	Equity Attributable to Parent Company													Non-controlling Interest
	Share Capital	Other Equity Instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profit	Others	Subtotal	
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	8,686,689,898.93
Add: Cumulative changes of accounting policies														
Error correction of prior period														
Business combination under common control														
Others														
II. Opening balance of current 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	8,686,689,898.93
III. Current period increase (decrease is expressed with "-")	332,800.00				11,122,176.00	30,565,896.79	-146,655.17				100,565,062.48		81,307,486.52	64,965,764.02
i. Total comprehensive income							-146,655.17				424,843,451.68		424,696,796.51	-422,535,074.01
ii. Capital contributed or withdrawn by owners	332,800.00				11,122,176.00								11,454,976.00	17,274,976.00
1. Ordinary shares contributed by owners	332,800.00				11,122,176.00								11,454,976.00	17,274,976.00
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	-20,000,000.00
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
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														

Item	Half-Year 2024													
	Equity Attributable to Parent Company													Non-controlling Interest
	Share Capital	Other Equity Instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profit	Others	Subtotal	
1. Appropriation of current period														
2. Application of current period														
vi. Others						30,565,896.79							-30,565,896.79	
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

## 8. Parent company statement of changes in equity

Amount during the current period

Unit: RMB

Item	Half-Year 2025											
	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	543,347,787.00				4,074,211,980.00	90,528,153.80			271,673,893.50	2,632,875,285.49		7,431,580,792.19
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Opening balance of current year	543,347,787.00				4,074,211,980.00	90,528,153.80			271,673,893.50	2,632,875,285.49		7,431,580,792.19
III. Current period increase (decrease is expressed with "+,-")						40,983,874.00				240,030,578.53		199,046,704.53
i. Total comprehensive income										456,308,371.33		456,308,371.33
ii. Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others												
iii. Profit distribution										-216,277,792.80		-216,277,792.80
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners (or shareholders)										-216,277,792.80		-216,277,792.80
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												

Item	Half-Year 2025											
	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								
vi. Others						40,983,874.00						-40,983,874.00
IV. Closing balance of current period	543,347,787.00				4,074,211,980.00	131,512,027.80			271,673,893.50	2,872,905,864.02		7,630,627,496.72

Amount during the previous period

Unit: RMB

Item	Half-Year 2024											
	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						-30,565,896.79
IV. Closing balance of current	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



Item	Half-Year 2024											
	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								
period												

### 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 RMB543,347,787.00, with total share of 543,347,787 shares (each with par value of RMB1). Of these shares, 1,199,927 are restricted outstanding A shares, and 542,147,860 are unrestricted outstanding A shares. The Company’s shares were listed on the SZSE 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 18th Meeting of the Fifth Board of Directors dated August 18, 2025.

### 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

According to the Company’s evaluation, no significant doubts regarding the Company’s capacity to continue as a going concern were found throughout the 12-month period after the conclusion of the Reporting Period. As a result, the financial statements were prepared on a going concern basis.

### V. Significant accounting policies and estimates

Notes to specific accounting policies and estimates:

The Company has formulated specific accounting policies and estimates for transactions or events such as impairment of financial instruments, inventories, depreciation of fixed assets, construction in progress, intangible assets, and income recognition in line with the features of its practical production and operations.

#### 1. Statement of compliance with the Accounting Standards for Business Enterprises

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

## 2. Accounting period

The Company's accounting periods are divided into annual and interim periods. Interim periods include half-yearly, quarterly, and monthly periods. 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 *Accounting Standards for Enterprises 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 *Accounting Standards for Enterprises 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 *Accounting Standards for Enterprises 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 *Accounting Standards for Enterprises 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 *Accounting Standards for Enterprises 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 *Accounting Standards for Enterprises 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;
- 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 - grouped by quality guarantee deposit	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



Ages	Accounts Receivable Expected Credit Loss Rate (%)	Other Receivables Expected Credit Loss Rate (%)
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/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 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 *Accounting Standards for Business Enterprises No. 12 - Debt Restructuring*; if it is acquired by exchange of non-monetary assets, the initial investment cost shall be determined according to *Accounting Standards for Business Enterprises 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 *Accounting Standards for Business Enterprises 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 “a 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. 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	Three to five years	5.00%	31.67%-19.00%
Special equipment	Straight-line method	Three to ten years	5.00%	31.67%-9.50%
Transport facilities	Straight-line method	Four years	5.00%	23.75%

## 16. 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.

## 17. 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.

## 18. 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	Five to ten years, expected useful life	Straight-line method
Proprietary technology	Ten 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.

## 19. 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.

## 20. 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.

## 21. 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.

## **22. 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.

## **23. 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.

## 24. 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 domestic entities have declared goods to the customs based on contractual agreements and has obtained a bill of lading, overseas entities have delivered the product to the purchaser in accordance with the contractual agreement, 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

## 25. 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.

## **26. 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 day-to-day management 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.

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

## **27. 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.

## **28. 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 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.

## 29. Other significant accounting policies and accounting estimates

The Company determines its operating segments based on its internal organizational structure, management requirements and internal reporting system. The Company's operating segments refer to components that simultaneously meet the following conditions:

- (1) The component can generate revenue and incurring expenses in its daily activities;
- (2) The management can evaluate the component's results of operations on a regular basis to decide on the allocation of resources to it and to assess its performance;
- (3) The Company is able to analyze and obtain relevant accounting information about the component's financial position, results of operations, and cash flows.

## 30. 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 2025

☐ 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., Yangzhou J&V Semiconductor Company,	15%

Jiangsu Yangjie Semiconductor Co., Ltd., 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. (the above subsidiaries are referred to as Chengdu Qingyang, J&V Semiconductor, Yangjie Semiconductor, Yixing Jiexin, Jiangsu Runao, Sichuan Yajixin, Sihong Hongxin and Hunan Jiechuwei, respectively)	
Jiangsu MCC Semiconductor Co., Ltd., Shanghai Xinyangjie Electronics Co., Ltd., Shanghai Lingxin Semiconductor Technology Co., Ltd., Hangzhou Yijia Semiconductor Technology Co., Ltd., Wuxi Jiexiwei Semiconductor Co., Ltd., Yangzhou Jiejia Electronic Materials Co., Ltd., Yangzhou Dongxing Yangjie R&D Co., Ltd. (the above subsidiaries are referred to as Jiangsu MCC, Shanghai Xinyangjie, Shanghai Lingxin, Yijia Semiconductor, Wuxi Jiexiwei, Yangzhou Jiejia and Yangzhou Dongxing, respectively)	20 %
Other domestic subsidiaries	25%

## 2. Tax incentives

(1) Pursuant to the *Announcement on the Filing of the Third Batch of High-tech Enterprises Accredited and Reported by Accreditation Agencies in Jiangsu Province in 2024* by the National High-tech Enterprise Accreditation Management Leading Group, the Company and its subsidiaries, J&V Semiconductor and Yangjie Semiconductor, were accredited as high-tech enterprises with a valid period from 2024 to 2026. 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 *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.

(4) 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.

(5) 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.



(6) 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 Xinyangjie, Shanghai Lingxin, Wuxi Lingxin, Wuxi Jiexiwei, Yijia Semiconductor, Yangzhou Jiejia and Yangzhou Dongxing, 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 2025, and enjoyed the above preferential policies for enterprise income tax.

(7) Pursuant to the *Announcement of 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) by the Ministry of Finance and the State Taxation Administration, 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, Sihong Hongxin, Chengdu Qingyang, Yixing Jiexin, Jiangsu Runau and Sichuan Yajixin, 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.

(8) Pursuant to the *Notice of the Additional Value-Added Tax Credit Policy for Integrated Circuit Enterprises* (C.S. [2023] No. 17) by the Ministry of Finance and the State Taxation Administration, 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	6,831.51	651.20
Bank deposits	4,558,140,840.08	3,893,652,228.24
Other monetary assets	7,800,009.21	48,579,009.19
Total	4,565,947,680.80	3,942,231,888.63
Of which: Total amount deposited overseas	864,502,303.12	960,981,766.25

Other notes:

### 2. Held-for-trading financial assets

Unit: RMB

Item	Closing Balance	Opening Balance
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Financial assets at fair value through profit or loss for the current period	229,323,600.00	248,289,829.99
Of which:		
Equity instrument investments		35,089,829.99
Financial products	229,323,600.00	213,200,000.00
Of which:		
Total	229,323,600.00	248,289,829.99

Other notes:

### 3. Notes receivable

#### (1) Notes receivable listed by category

Unit: RMB

Item	Closing Balance	Opening Balance
Trade acceptance notes	20,311,310.39	22,118,258.88
Total	20,311,310.39	22,118,258.88

#### (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	21,380,326.72	100.00%	1,069,016.33	5.00%	20,311,310.39	23,282,377.77	100.00%	1,164,118.89	5.00%	22,118,258.88
Of which:										
Trade acceptance notes	21,380,326.72	100.00%	1,069,016.33	5.00%	20,311,310.39	23,282,377.77	100.00%	1,164,118.89	5.00%	22,118,258.88
Total	21,380,326.72	100.00%	1,069,016.33	5.00%	20,311,310.39	23,282,377.77	100.00%	1,164,118.89	5.00%	22,118,258.88

Name of category of bad debt provision withdrawn by group: Trade acceptance notes

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Trade acceptance notes	21,380,326.72	1,069,016.33	5.00%
Total	21,380,326.72	1,069,016.33	

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	1,164,118.89		95,102.56			1,069,016.33
Total	1,164,118.89		95,102.56			1,069,016.33

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

Unit: RMB

Item	Written-off Amount
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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
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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)	2,104,643,575.53	1,968,922,722.19
One to two years	2,241,496.21	5,418,233.84
Two to three years	3,310,100.00	974,864.01
Above three years	123,867.21	135,281.71
Three to four years	123,867.21	135,281.71
Total	2,110,319,038.95	1,975,451,101.75

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

Unit: RMB

Type	Closing Balance			Opening Balance		
	Carrying Balance	Bad Debt Provision	Carrying	Carrying Balance	Bad Debt Provision	Carrying

	Amount	Percentage	Amount	Withdrawal Proportion	Amount	Amount	Percentage	Amount	Withdrawal proportion	Amount
Accounts receivable of bad debt provision withdrawn by single item	113,200.38	0.01%	113,200.38	100.00%	0.00	1,086,941.38	0.06%	1,086,941.38	100.00%	0.00
Of which:										
Accounts receivable of bad debt provision withdrawn by group	2,110,205,838.57	99.99%	107,122,045.22	5.08%	2,003,083,793.35	1,974,364,160.37	99.94%	99,010,602.33	5.01%	1,875,353,558.04
Of which:										
Total	2,110,319,038.95	100.00%	107,235,245.60	5.08%	2,003,083,793.35	1,975,451,101.75	100.00%	100,097,543.71	5.07%	1,875,353,558.04

Name of category of bad debt provision withdrawn by single item: Receivables with provision made 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	1,086,941.38	1,086,941.38	113,200.38	113,200.38	100.00%	
Total	1,086,941.38	1,086,941.38	113,200.38	113,200.38		

Name of category of bad debt provision withdrawn by group: Aging

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Within one year	2,104,643,575.53	105,232,178.77	5.00%
One to two years	2,241,496.21	224,149.62	10.00%
Two to three years	3,310,100.00	1,655,050.00	50.00%
Above three years	10,666.83	10,666.83	100.00%
Total	2,110,205,838.57	107,122,045.22	

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	1,086,941.38			973,741.00		113,200.38

withdrawn by single item						
Bad debt provision withdrawn by group	99,010,602.33	8,132,905.94		21,463.05		107,122,045.22
Total	100,097,543.71	8,132,905.94		995,204.05		107,235,245.60

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
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#### (4) Accounts receivable with actual verification in current period

Unit: RMB

Item	Written-off Amount
Accounts receivable with actual write-off	995,204.05

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
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Notes to verification of accounts receivable:

#### (5) Top five 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	159,476,710.17		159,476,710.17	7.96%	7,973,835.51
No. 2	141,053,062.29		141,053,062.29	7.04%	7,052,653.11
No. 3	59,255,042.58		59,255,042.58	2.96%	2,962,752.13
No. 4	44,732,570.00		44,732,570.00	2.23%	2,236,628.50
No. 5	34,758,943.52		34,758,943.52	1.73%	1,737,947.18
Total	439,276,328.56		439,276,328.56	21.92%	21,963,816.43

### 5. Contract assets

#### (1) List of contract assets

Item	Closing Balance			Opening Balance		
	Carrying	Bad Debt	Carrying	Carrying	Bad Debt	Carrying

	Balance	Provision	Amount	Balance	Provision	Amount
Quality guarantee deposit receivable	1,162,918.19	58,145.91	1,104,772.28	1,162,918.19	58,145.91	1,104,772.28
Total	1,162,918.19	58,145.91	1,104,772.28	1,162,918.19	58,145.91	1,104,772.28

**(2) Significant changes in the carrying amount and the reason during 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	1,162,918.19	100.00%	58,145.91	5.00%	1,104,772.28	1,162,918.19	100.00%	58,145.91	5.00%	1,104,772.28
Of which:										
Total	1,162,918.19	100.00%	58,145.91	5.00%	1,104,772.28	1,162,918.19	100.00%	58,145.91	5.00%	1,104,772.28

Number of category of bad debt provision withdrawn by group: One

Name of category 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	1,162,918.19	58,145.91	5.00%
Total	1,162,918.19	58,145.91	

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
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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
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Other notes

**(5) Contract assets 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 contract assets

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 of contract assets:

Other notes:

**6. Receivables financing****(1) Receivables financing listed by category**

Unit: RMB

Item	Closing Balance	Opening Balance
Bank receivable	187,673,500.40	221,615,999.99
Total	187,673,500.40	221,615,999.99

**(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	187,673,500.40	100.00%			187,673,500.40	221,615,999.99	100.00%			221,615,999.99
Of which:										
Bank acceptance receivable	187,673,500.40	100.00%			187,673,500.40	221,615,999.99	100.00%			221,615,999.99
Total	187,673,500.40	100.00%			187,673,500.40	221,615,999.99	100.00%			221,615,999.99

Name of category of bad debt provision withdrawn by group: Bank acceptance receivable group

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Bank acceptance receivable group	187,673,500.40	0.00	0.00%
Total	187,673,500.40	0.00	

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, 2025 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
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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	1,132,841,435.67	
Total	1,132,841,435.67	

### (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	Written-off	Reason for	Verification	Whether
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	Receivables	Amount	Verification	Procedures Performed	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 are 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	17,220,804.29	18,236,464.28
Total	17,220,804.29	18,236,464.28

### (1) Other receivables

#### 1) Category of other receivables by account nature

Unit: RMB

Nature of receivables	Closing Carrying Balance	Opening Carrying Balance
Guarantee deposits	16,905,393.92	17,703,404.69
Temporary payment receivable	7,416,428.37	5,111,882.85
Others	1,169,884.64	1,138,520.66
Total	25,491,706.93	23,953,808.20

#### 2) Disclosure by ages

Unit: RMB

Ages	Closing Carrying Balance	Opening Carrying Balance
Within one year (inclusive)	8,019,040.30	12,368,095.77
One to two years	10,176,396.40	6,757,289.37
Two to three years	887,918.47	810,425.74
Above three years	6,408,351.76	4,017,997.32
Three to four years	6,408,351.76	4,017,997.32
Total	25,491,706.93	23,953,808.20

#### 3) Disclosure by classification according to bad debt provision method

☒Applicable ☐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	25,491,706.93	100.00%	8,270,902.64	32.45%	17,220,804.29	23,953,808.20	100.00%	5,717,343.92	23.87%	18,236,464.28
Of which:										
Total	25,491,706.93	100.00%	8,270,902.64	32.45%	17,220,804.29	23,953,808.20	100.00%	5,717,343.92	23.87%	18,236,464.28

Name of category of bad debt provision withdrawn by group: Aging

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Within one year (inclusive)	8,019,040.30	400,952.01	5.00%
One to two years	10,176,396.40	1,017,639.64	10.00%
Two to three years	887,918.47	443,959.23	50.00%
Above three years	6,408,351.76	6,408,351.76	100.00%
Total	25,491,706.93	8,270,902.64	

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, 2025	618,404.79	675,728.94	4,423,210.19	5,717,343.92
Balance as at January 1, 2025 in the current period				
--Transferred to Stage 2	-508,819.82	508,819.82		
--Transferred to Stage 3		-88,791.85	88,791.85	
Provision withdrawn in the current period	291,367.04	-78,117.28	2,340,308.91	2,553,558.67
Balance as at June 30, 2025	400,952.01	1,017,639.64	6,852,310.99	8,270,902.64

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
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**5) Other receivables with actual verification in the current period**

Unit: RMB

Item	Written-off Amount
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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
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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	Guarantee deposits	2,000,000.00	Above three years	11.61%	2,000,000.00
No. 2	Temporary payments receivable	1,800,000.00	Above three years	10.45%	1,800,000.00
No. 3	Guarantee deposits	1,722,660.63	One to two years	10.00%	172,266.06
No. 4	Guarantee deposits	1,520,000.00	Within one year	8.83%	76,000.00
No. 4	Guarantee deposits	150,000.00	One to two years	0.87%	15,000.00
No. 5	Guarantee deposits	970,000.00	One to two years	5.63%	97,000.00
Total		8,162,660.63		47.39%	4,160,266.06

**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	26,238,785.03	93.12%	19,964,929.74	76.55%
One to two years	663,624.57	2.36%	4,866,264.19	18.66%
Two to three years	448,723.19	1.59%	433,702.82	1.66%
Above three years	826,585.34	2.93%	817,162.57	3.13%
Total	28,177,718.13		26,082,059.32	

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

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

The total amount of the top 5 advance payments at the end of the period was 11,221,779.87 yuan, accounting for 39.83% of the end of the advance payment balance.

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	405,451,749.95	22,521,950.86	382,929,799.09	329,932,132.81	23,418,527.71	306,513,605.10
Goods in process	238,531,497.74	9,848,510.20	228,682,987.54	226,835,862.77	2,948,203.73	223,887,659.04
Goods on hand	685,297,494.44	42,481,935.40	642,815,559.04	709,476,103.89	39,237,672.09	670,238,431.80
Commissioned products	35,523,948.70		35,523,948.70	26,535,406.50		26,535,406.50
Total	1,364,804,690.83	74,852,396.46	1,289,952,294.37	1,292,779,505.97	65,604,403.53	1,227,175,102.44

### (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	23,418,527.71	3,720,169.78		4,616,746.63		22,521,950.86
Goods in process	2,948,203.73	7,531,511.82		631,205.35		9,848,510.20
Goods on hand	39,237,672.09	16,197,572.18		12,953,308.87		42,481,935.40
Total	65,604,403.53	27,449,253.78		18,201,260.85		74,852,396.46

Item	Specific Basis for Determining Net Realizable Value	Reasons for Provision for Decline in Value of Reversal Inventories	Reasons for Provision for Decline in Value of Write-off Inventories
Raw materials	Net realizable value is determined based on the estimated selling price of the relevant finished goods less	Increase in net realizable value of inventories for which provision for decline	Consumption/sale of inventories for which provision for inventory
Goods in process			

Item	Specific Basis for Determining Net Realizable Value	Reasons for Provision for Decline in Value of Reversal Inventories	Reasons for Provision for Decline in Value of Write-off Inventories
	costs estimated to be incurred to completion, estimated selling expenses and related taxes	in value of inventories was made in prior periods	write-offs has been made during the period
Goods on hand	Net realizable value is determined based on the estimated selling price less estimated selling expenses and related taxes	Increase in net realizable value of inventories for which provision for decline in value of inventories was made in prior periods	Consumption/sale of inventories for which provision for inventory write-offs has been made during the period

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) Other debt investments due within one year

### 10. Other current assets

Unit: RMB

Item	Closing Balance	Opening Balance
Principal-guaranteed fixed-income financial products		80,187,627.40
Taxes to be credited	77,029,793.18	66,091,719.52
Prepayments and others	16,645,256.09	17,996,811.58
Total	93,675,049.27	164,276,158.50

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												
Jiangsu Intelligent Microsystem Industrial Technology Co., Ltd.	18,797,967.26										18,797,967.26	
Subtotal	18,797,967.26										18,797,967.26	
Total	18,797,967.26										18,797,967.26	

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)	149,796,691.06	133,201,524.17
Shanghai Hestia Power Enterprise Management Partnership (LP)	50,000,000.00	50,000,000.00
Nantong Jinxin Haohua Investment Center (LP)	15,153,059.01	15,539,508.56
United Nova Technology Co., Ltd.	14,947,396.02	16,075,501.38
Jiangsu Applied 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
Total	711,979,293.47	696,898,681.49

Other notes:

## 13. Fixed assets

Unit: RMB

Item	Closing Balance	Opening Balance
Fixed assets	3,670,936,536.37	3,467,212,945.22
Total	3,670,936,536.37	3,467,212,945.22

### (1) List of fixed assets

Unit: RMB

Item	Buildings and Structures	General Equipment	Special Equipment	Transport Facilities	Total
I. Original carrying amount:					

Item	Buildings and Structures	General Equipment	Special Equipment	Transport Facilities	Total
1. Opening balance	1,057,607,644.69	57,376,333.06	4,574,885,975.30	17,263,482.17	5,707,133,435.22
2. Increased amount for the current period					
(1) Purchase	45,268,544.18	168,332.39	4,376,960.27		49,813,836.84
(2) Transfer from construction in progress	61,605,762.94	1,839,759.41	70,968,289.82	779,049.05	135,192,861.22
(3) Increase from business combination	341,435,103.99				341,435,103.99
(4) Impact of exchange rate fluctuations		3,161.04			3,161.04
3. Decreased amount for the current period					
(1) Disposal or scrap		355,650.21	18,652,657.39	1,139,554.96	20,147,862.56
(2) Impact of exchange rate fluctuations	822,597.64		64,823.12	11,304.35	898,725.11
4. Closing balance	1,505,094,458.16	59,031,935.69	4,631,513,744.88	16,891,671.91	6,212,531,810.64
II. Accumulated depreciation					
1. Opening balance	205,872,400.88	37,991,169.92	1,980,708,406.76	15,348,512.44	2,239,920,490.00
2. Increased amount for the current period					
(1) Accrual	30,910,578.50	2,755,208.05	237,284,637.46	1,629,946.72	272,580,370.73
(2) Increase from business combination	34,400,940.79				34,400,940.79
(3) Impact of exchange rate fluctuations		1,149.68	10,759.70		11,909.38
3. Decreased amount for the current period					
(1) Disposal or scrap		94,821.08	4,469,281.97	746,121.29	5,310,224.34
(2) Impact of exchange rate fluctuations	7,496.70			715.59	8,212.29
4. Closing balance	271,176,423.47	40,652,706.57	2,213,534,521.95	16,231,622.28	2,541,595,274.27
III. Allowance for impairment					
1. Opening balance					
2. Increased amount for the					



Item	Buildings and Structures	General Equipment	Special Equipment	Transport Facilities	Total
current period					
(1) Accrual					
3. Decreased amount for the current period					
(1) Disposal or scrap					
4. Closing balance					
IV. Carrying amount					
1. Closing carrying amount	1,233,918,034.69	18,379,229.12	2,417,979,222.93	660,049.63	3,670,936,536.37
2. Opening carrying amount	851,735,243.81	19,385,163.14	2,594,177,568.54	1,914,969.73	3,467,212,945.22

**(2) Temporarily idle fixed assets**

Unit: RMB

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

Unit: RMB

Item	Closing Carrying Amount
Special equipment	265,558,653.33
Subtotal	265,558,653.33

**(4) Fixed assets failed to accomplish certification of property**

Unit: RMB

Item	Carrying Amount	Reason
Buildings 6# of No.3 factory	6,898,597.85	Planning approval failed due to change in usage.
Factory 2# of Chengdu Qingyang Company	6,157,090.30	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 Runau	1,448,227.20	The land of the entrepreneurial park where the entity is located has been mortgaged by the government for loans, which is not processed yet. As a result, the entrepreneurial park cannot be used to apply for real estate ownership certificate.
Subtotal	14,503,915.35	

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	1,676,031,460.55	1,359,312,665.99
Total	1,676,031,460.55	1,359,312,665.99

**(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	695,995,809.05		695,995,809.05	682,441,314.37		682,441,314.37
Other production expansion and line upgrade projects	320,360,241.64		320,360,241.64	154,470,439.04		154,470,439.04
Wafer project phase II	73,347,091.33		73,347,091.33	41,952,947.08		41,952,947.08
Automotive-grade power chip manufacturing project	275,863,304.43		275,863,304.43	266,886,711.95		266,886,711.95
SKY and MOS production expansion project phase I	4,748,585.79		4,748,585.79	10,631,785.00		10,631,785.00
Vietnam production base construction project	188,509,801.36		188,509,801.36	131,511,871.93		131,511,871.93
Semiconductor monocrystalline material capacity expansion project phase I	1,135,783.13		1,135,783.13	1,069,911.57		1,069,911.57
Other equipment installation projects	114,396,780.95		114,396,780.95	59,567,028.11		59,567,028.11
Other fragmentary projects	1,674,062.87		1,674,062.87	10,780,656.94		10,780,656.94
Total	1,676,031,460.55		1,676,031,460.55	1,359,312,665.99		1,359,312,665.99

**(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	Capitalization Rate of Interests for the Current Period	Fund Source
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										Period		
Hunan Jiechuwei Company 8" wafer project	1,200,000,000.00	682,441,314.37	58,785,570.77	16,575,111.13	28,655,964.96	695,995,809.05	78.81%	79%				Others
Other production expansion and line upgrade projects	1,000,000,000.00	154,470,439.04	237,754,276.24	31,615,702.87	40,607,896.61	320,001,115.80	99.12%	99%				Others
Wafer project phase II	420,000,000.00	41,952,947.08	55,951,333.29	20,763,835.62	3,793,353.42	73,347,091.33	94.42%	94%				Others
Automotive-grade power chip manufacturing project	640,000,000.00	266,886,711.95	20,636,905.33	3,674,749.56	7,985,563.29	275,863,304.43	70.86%	71%				Others
SKY and MOS production expansion project phase I	425,000,000.00	10,631,785.00	3,292,966.28	9,082,360.18	93,805.31	4,748,585.79	98.13%	98%				Others
Vietnam production base construction project	619,690,000.00	131,511,871.93	106,572,949.92	47,937,978.05	1,637,042.44	188,509,801.36	39.21%	39%				Raised funds
Semiconductor monocrystalline material capacity expansion project phase I	165,000,000.00	1,069,911.57	5,262,547.94	4,941,809.10	254,867.28	1,135,783.13	96.83%	97%				Others
<b>Total</b>	<b>4,469,690,000.00</b>	<b>1,288,964,980.94</b>	<b>488,256,549.77</b>	<b>134,591,546.51</b>	<b>83,028,493.31</b>	<b>1,559,601,490.89</b>						

**(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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Other notes:

**(4) Impairment test of constructions in progress**☐ Applicable ☒ Not applicable**15. Right-of-use assets****(1) List of right-of-use assets**

Unit: RMB

Item	Buildings and Structures	Special Equipment	Total
<b>I. Original carrying amount</b>	<b>153,249,529.34</b>	<b>28,603,538.46</b>	<b>181,853,067.80</b>
1. Opening balance			
2. Increased amount for the current period			
3. Decreased amount for the current period			
(1) Decrease from combination	138,507,339.25		138,507,339.25
4. Closing balance	14,742,190.09	28,603,538.46	43,345,728.55
<b>II. Accumulated depreciation</b>			
1. Opening balance	77,763,230.64	7,890,631.30	85,653,861.94
2. Increased amount for the current period			
(1) Accrual	1,828,683.40	1,972,657.82	3,801,341.22
3. Decreased amount for the current period			
(1) Disposal			
(2) Decrease from combination	69,262,773.05		69,262,773.05

Item	Buildings and Structures	Special Equipment	Total
4. Closing balance	10,329,140.99	9,863,289.12	20,192,430.11
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	4,413,049.10	18,740,249.34	23,153,298.44
2. Opening carrying amount	75,486,298.70	20,712,907.16	96,199,205.86

## (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 Technologies	Software	Proprietary Technology	Total
I. Original carrying amount						
1. Opening balance	192,874,982.77			54,229,601.03	15,900,000.00	263,004,583.80
2. Increased amount for the current period						
(1) Purchase				9,029,431.30		9,029,431.30
(2) Internal R&D						
(3) Increase from business combination	82,771,308.11					82,771,308.11
(4) Impact of exchange rate fluctuations	390,817.18			58,441.20		449,258.38
3. Decreased amount for the current period						
(1) Disposal						
4. Closing balance	276,037,108.06			63,317,473.53	15,900,000.00	355,254,581.59
II. Accumulated						

Item	Land Use Right	Patent Right	Non-patent Technologies	Software	Proprietary Technology	Total
amortization						
1. Opening balance	24,091,539.27			33,091,266.89	6,860,000.00	64,042,806.16
2. Increased amount for the current period						
(1) Accrual	2,636,264.98			4,013,324.93	545,000.00	7,194,589.91
(2) Increase from business combination	6,466,150.67					6,466,150.67
(3) Impact of exchange rate fluctuations	76,486.63					76,486.63
3. Decreased amount for the current period						
(1) Disposal						
4. Closing balance	33,270,441.55	0.00	0.00	37,104,591.82	7,405,000.00	77,780,033.37
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	242,766,666.51			26,212,881.71	8,495,000.00	277,474,548.22
2. Opening carrying amount	168,783,443.50	0.00	0.00	21,138,334.14	9,040,000.00	198,961,777.64

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 Xinyangjie	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		
Hunan Jiechuwei	12,512,017.06	195,598.71				12,707,615.77
Shanghai Xinyangjie	1,944,739.19					1,944,739.19
Chengdu Qingyang	2,727,831.48					2,727,831.48
Jiangsu Runau	1,114,118.81	45,329.04				1,159,447.85
Total	18,298,706.54	240,927.75				18,539,634.29

**(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
Hunan Jiechuwei Company	The cash flows generated are independent of other assets or asset groups.	Managed by business type	Yes
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	The cash flows generated are independent of other	Managed by business type	Yes

Yajixin Company	assets or asset groups.		
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## 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

Deferred tax liabilities are recognized for the estimated added value of assets not under the same control, which gives rise to subsequent income tax effects that will be subject to tax in the future, and the amount of goodwill recognized is adjusted accordingly. A provision for impairment of goodwill of RMB240,927.75 was made in the current period based on the amount of reversal of deferred income tax liabilities attributable to the parent company.

**(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 (Years)	Key Parameters of Forecast Period	Key Parameters of Stable Period	Basis for Determining the Key Parameters of Stable Period
Hunan Jiechuwei Company	873,000,000.00	873,000,000.00		Five years	Revenue growth rate: 14.12% Gross profit rate: 22.72% Determined based on historical experience and market development	Revenue growth rate: 0 Gross profit rate: 32.54% Determined based on historical experience and market development	Discount rate: 11.18% Determined based on historical experience and market development
MCC Hong Kong, Caswell Company and its subsidiaries, MCC Shenzhen	852,070,157.24	852,070,157.24		Five years	Revenue growth rate: 0 Gross profit rate: 21.84% Determined based on historical experience and market development	Revenue growth rate: 0 Gross profit rate: 21.84% Determined based on historical experience and market development	Discount rate: 11.47% Determined based on historical experience and market development
Chengdu Qingyang Company, Sichuan Yajixin Company	547,000,000.00	547,000,000.00		Five years	Revenue growth rate: 4.33% Gross profit rate: 26.29% Determined based on historical experience and	Revenue growth rate: 0 Gross profit rate: 27.15% Determined based on historical experience and market	Discount rate: 10.60% Determined based on historical experience and market development

Item	Carrying Amount	Recoverable Amount	Impairment Amount	Forecast Period (Years)	Key Parameters of Forecast Period	Key Parameters of Stable Period	Basis for Determining the Key Parameters of Stable Period
					market development	development	
Total	2,272,070,157.24	2,272,070,157.24					

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	132,059,342.92	73,162,637.11	41,350,721.08		163,871,258.95
Total	132,059,342.92	73,162,637.11	41,350,721.08		163,871,258.95

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	187,773,258.49	35,834,634.39	166,928,583.18	25,833,611.47
Internal unrealized profit	6,435,964.89	965,394.73	22,171,302.39	3,724,553.75
Deductible losses	93,620,148.28	14,043,022.24	104,689,055.69	16,331,347.95
Deferred income	247,676,487.72	37,151,487.78	201,544,044.42	30,231,606.66
Lease liabilities	2,598,300.32	491,526.02	2,845,842.12	548,096.87
Total	538,104,159.70	88,486,065.16	498,178,827.80	76,669,216.70

#### (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	34,797,956.13	5,219,693.42	36,404,141.22	5,460,621.17
Extra deduction of depreciation of fixed assets	1,138,870,539.31	170,830,580.89	1,136,826,029.67	170,523,904.45
Net profit achieved by MCC Hong Kong	630,978,068.80	94,646,710.32	553,106,336.27	82,965,950.44
Changes in fair value of other non-current financial assets	233,934,610.97	35,090,191.65	218,853,998.99	32,828,099.85
Right-of-use assets	1,976,084.60	393,134.56	2,841,116.32	541,609.67
Total	2,040,557,259.81	306,180,310.84	1,948,031,622.47	292,320,185.58

**(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	79,516,692.77	11,231,464.19	66,912,696.42	9,756,520.28
Deferred tax liabilities	79,516,692.77	226,663,618.07	66,912,696.42	225,407,489.16

**(4) List of unrecognized deferred tax assets**

Unit: RMB

Item	Closing Balance	Opening Balance
Deductible temporary difference	87,333,542.13	67,289,009.95
Deductible losses	369,319,002.39	284,513,145.00
Total	456,652,544.52	351,802,154.95

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

Unit: RMB

Year	Closing Amount	Opening Amount	Remarks
2025	901.99	901.99	
2026	1,969,669.28	1,969,669.28	
2027	58,237,582.96	58,237,582.96	
2028	36,631,038.89	36,631,038.89	
2029	187,673,951.88	187,673,951.88	
2030	84,805,857.39		
Total	369,319,002.39	284,513,145.00	

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	215,800,000.00		215,800,000.00	215,800,000.00		215,800,000.00

Prepayment for engineering equipment	26,384,241.12		26,384,241.12	28,196,762.87		28,196,762.87
Total	242,184,241.12		242,184,241.12	243,996,762.87		243,996,762.87

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
Fixed assets	829,432,463.01	543,564,784.47	Pledge	Pledge for borrowings	837,789,568.34	585,806,191.31	Pledge	Pledge for borrowings
Intangible assets	42,008,087.85	36,119,287.69	Pledge	Pledge for borrowings	49,581,002.19	42,846,341.83	Pledge	Pledge for borrowings
Monetary assets	197,800,009.21	197,800,009.21	Deposits	Deposits for L/Gs and L/Cs, bank deposit pledge loan	48,579,009.19	48,579,009.19	Deposits	Acceptance deposits, deposits for letters of credit
Construction in progress	99,965,315.35	99,965,315.35	Pledge	Pledge for borrowings	109,420,646.02	109,420,646.02	Pledge	Pledge for borrowings
Total	1,169,205,875.42	877,449,396.72			1,045,370,225.74	786,652,188.35		

Other notes:

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

Unit: RMB

Item	Closing Balance	Opening Balance
Mortgaged borrowings		27,699,777.06
Credit borrowings	1,589,423,795.01	1,028,302,439.93
Total	1,589,423,795.01	1,056,002,216.99

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
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Other notes:

**23. Notes payable**

Unit: RMB

Categories	Closing Balance	Opening Balance
Bank receivable	305,035,852.04	424,034,769.86
Total	305,035,852.04	424,034,769.86

The total amount of notes payable due but unpaid was RMB0.00, reason for failed payment is.

**24. Accounts payable****(1) List of accounts payable**

Unit: RMB

Item	Closing Balance	Opening Balance
Payments for materials	1,415,708,651.53	1,193,672,170.00
Payments for engineering equipment	548,924,867.69	374,280,416.19
Total	1,964,633,519.22	1,567,952,586.19

**(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	63,903,466.98	59,613,183.59
Total	63,903,466.98	59,613,183.59

**(1) Other payables****1) Other payables listed by nature of account**

Unit: RMB

Item	Closing Balance	Opening Balance
Accrued expenses	29,703,299.74	27,785,633.21
Guarantee deposits	24,591,673.94	22,763,166.77
Temporary receipts payable	8,159,993.30	7,615,883.61
Payables for equity acquisition	1,448,500.00	1,448,500.00
Total	63,903,466.98	59,613,183.59

**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	13,640,858.13	11,243,387.05
Total	13,640,858.13	11,243,387.05

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 during 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	213,312,077.42	604,157,121.12	655,427,270.91	162,041,927.63
II. Termination benefit - defined contribution plans	121,945.66	35,788,196.16	35,776,070.05	134,071.77
Total	213,434,023.08	639,945,317.28	691,203,340.96	162,175,999.40

**(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,	173,917,022.05	530,390,649.96	571,428,225.06	132,879,446.95

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance
allowance, subsidy				
2. Employee welfare expenses		23,926,658.40	23,926,658.40	
3. Social insurance	119,777.61	19,117,509.29	19,109,793.91	127,492.99
Including: Medicare premium	116,444.29	17,309,902.02	17,301,201.65	125,144.66
Occupational injuries premium	2,405.84	1,599,474.40	1,599,531.91	2,348.33
Maternity premium	927.48	208,132.87	209,060.35	0.00
3. Housing provident fund	49,299.29	16,354,080.26	16,362,518.01	40,861.54
4. Labor union budget and employee education budget	39,225,978.47	14,368,223.21	24,600,075.53	28,994,126.15
Total	213,312,077.42	604,157,121.12	655,427,270.91	162,041,927.63

**(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	119,209.66	33,789,283.05	33,776,587.83	131,904.88
2. Unemployment insurance premiums	2,736.00	1,998,913.11	1,999,482.22	2,166.89
Total	121,945.66	35,788,196.16	35,776,070.05	134,071.77

Other notes:

**28. Taxes and rates payable**

Unit: RMB

Item	Closing Balance	Opening Balance
VAT	7,922,179.53	6,669,257.24
Enterprise income tax	60,130,471.49	43,487,519.88
Individual income tax	6,331,040.84	4,494,197.48
Urban maintenance and construction tax	1,212,396.84	1,351,016.45
Property tax	2,088,048.39	1,810,440.47
Land use tax	312,854.79	298,328.85
Education surcharge	631,915.53	591,744.33
Local education surcharge	421,277.03	394,496.24
Stamp duty and others	1,678,004.53	1,595,577.49
Total	80,728,188.97	60,692,578.43

Other notes:

**29. Non-current liabilities due within one year**

Unit: RMB

Item	Closing Balance	Opening Balance
Long-term borrowings due within one year	518,951,000.00	398,821,000.00
Lease liabilities due within one year	8,881,916.04	66,441,145.91

Total	527,832,916.04	465,262,145.91
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Other notes:

### 30. Other current liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Output VAT to be recognized	1,077,878.11	928,165.32
Non-derecognized commercial acceptance notes		3,037,964.13
Total	1,077,878.11	3,966,129.45

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		48,545,310.96
Mortgaged borrowings	442,537,852.55	453,030,293.15
Credit borrowings	169,008,412.30	22,168,804.67
Total	611,546,264.85	523,744,408.78

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	19,201,495.43	85,108,055.49
Less: Unrecognized financing expenses of lease liabilities	-1,693,337.14	-6,305,010.19
Total	17,508,158.29	78,803,045.30

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	202,793,634.62	69,114,800.00	23,108,602.58	248,799,832.04	Related to assets

grants					
Total	202,793,634.62	69,114,800.00	23,108,602.58	248,799,832.04	

Other notes:

### 34. Other non-current liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Capacity deposits received in advance	215,800,000.00	215,800,000.00
Total	215,800,000.00	215,800,000.00

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	543,347,787.00						543,347,787.00

Other notes:

### 36. Capital reserve

Unit: RMB

Item	Opening Balance	Increase for the Current Period	Decrease for the Current Period	Closing Balance
Capital premium (share premium)	4,017,230,328.12			4,017,230,328.12
Other capital reserve	49,763,105.85			49,763,105.85
Total	4,066,993,433.97			4,066,993,433.97

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

### 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	90,528,153.80	40,983,874.00		131,512,027.80
Total	90,528,153.80	40,983,874.00		131,512,027.80

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

The Company repurchased 870,100 shares of the Company's public shares through centralized bidding trading in the current period, resulting in a corresponding increase in treasury shares of RMB40,983,874.0.

**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	26,092,399.71	5,835,030.77				5,835,030.77		31,927,430.48
Differences arising from translation of foreign currency-denominated financial statements	26,092,399.71	5,835,030.77				5,835,030.77		31,927,430.48
Total other comprehensive income	26,092,399.71	5,835,030.77				5,835,030.77		31,927,430.48

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	271,673,893.50			271,673,893.50
Total	271,673,893.50			271,673,893.50

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	3,946,969,152.74	3,409,569,241.07
Opening balance of retained profits after adjustments	3,946,969,152.74	3,409,569,241.07
Add: Net profit attributable to owners of the parent company	601,345,162.23	1,002,451,864.19
Less: Appropriation of statutory		166,400.00



surplus reserve		
Dividend payable on ordinary shares	216,277,792.80	464,885,552.52
Closing retained profits	4,332,036,522.17	3,946,969,152.74

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	3,385,213,759.31	2,266,040,542.92	2,805,258,766.11	1,998,296,221.89
Other business	69,647,297.75	21,550,073.66	59,996,436.14	18,058,996.04
Total	3,454,861,057.06	2,287,590,616.58	2,865,255,202.25	2,016,355,217.93

Breakdown of operating revenue and operating cost:

Unit: RMB

Category of Contracts	Segment 1		Segment 2				Total	
	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue
Business categories	3,454,861,057.06	2,287,590,616.58					3,454,861,057.06	2,287,590,616.58
Of which:								
Semiconductor components	3,042,052,839.70	2,020,944,769.95					3,042,052,839.70	2,020,944,769.95
Semiconductor chips	253,580,161.64	173,723,024.60					253,580,161.64	173,723,024.60
Semiconductor silicon wafers	89,580,757.97	71,372,748.37					89,580,757.97	71,372,748.37
Others	69,647,297.75	21,550,073.66					69,647,297.75	21,550,073.66
Classification by operating region	3,454,861,057.06	2,288,324,323.79					3,454,861,057.06	2,288,324,323.79
Of which:								
Overseas sales	833,653,707.36	424,318,105.39					833,653,707.36	424,318,105.39
Domestic sales	2,621,207,349.70	1,863,272,511.19					2,621,207,349.70	1,863,272,511.19
Market or customer type								
Of which:								
Contract type								
Of which:								
Classification by time of commodity transfer	3,454,861,057.06	2,287,590,616.58					3,454,861,057.06	2,287,590,616.58
Of which:								
Recognized at	3,454,861,057.06	2,287,590,616.58					3,454,861,057.06	2,287,590,616.58

Category of Contracts	Segment 1		Segment 2				Total	
	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue	Operating Revenue
a point in time								
Classification by contract term								
Of which:								
Classification by sales channel								
Of which:								
Total	3,454,861,057.06	2,287,590,616.58					3,454,861,057.06	2,287,590,616.58

#### 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 RMB1,960,582,824.86, of which RMB1,786,072,615.03 is expected to be recognized in 2025, and RMB174,440,290.98 in 2026, and RMB69,918.85 in 2027.

Variable consideration in the contract:

Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting Treatment Method	Amount of Impact on Revenue

Other notes:

#### 42. Taxes and surcharges

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Urban maintenance and construction tax	6,899,524.67	5,726,313.26
Education surcharge	3,101,858.58	2,467,856.58
Resource tax	12,857.60	
Property tax	4,771,709.40	4,319,414.91
Land use tax	959,942.23	709,509.80
Local education surcharge	2,067,905.71	1,701,571.06
Stamp duty and others	3,144,211.01	2,603,311.19
Total	20,958,009.20	17,527,976.80

Other notes:

**43. Administrative expenses**

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Employee benefits	99,719,684.22	77,411,821.09
Depreciation and amortization	30,860,671.41	31,056,331.85
Office expenses	14,227,331.05	16,427,071.20
Intermediary service fees	9,027,031.19	4,169,306.74
Business traveling expenses	1,583,606.40	1,156,173.19
Business entertainment expenses	3,011,731.85	117,232.91
Others	9,269,539.82	8,365,519.09
Total	167,699,595.94	138,703,456.07

Other notes:

**44. Selling expenses**

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Employee benefits	102,225,183.24	85,562,441.53
Business traveling expenses	6,626,728.43	5,445,982.58
Office expenses	10,233,160.69	13,077,471.39
Depreciation and amortization	2,657,858.86	3,365,474.69
Business entertainment expenses	4,720,802.22	3,368,044.94
Advertising expenses	3,652,420.38	2,294,152.65
Business consultation fees	5,390,654.95	2,257,598.88
Others	7,663,718.09	2,371,975.70
Total	143,170,526.86	117,743,142.36

Other notes:

**45. R&D expenses**

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Employee benefits	100,416,983.57	89,887,584.56
Direct inputs	98,366,149.67	84,119,551.39
Depreciation and amortization	12,540,270.89	13,366,370.89
Consultant certification fees	1,127,418.08	885,576.56
Others	7,979,718.22	9,010,508.46
Total	220,430,540.43	197,269,591.86

Other notes:

**46. Financial expenses**

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Interest expenditures	32,928,933.08	24,273,283.93
Gains or losses on foreign exchange	13,557,611.71	-15,514,034.74
Interest income	-71,373,617.44	-76,786,813.75
Unrecognized financing expenses	470,042.47	722,491.78
Others	1,297,598.98	2,412,456.12
Total	-23,119,431.20	-64,892,616.66

Other notes:

**47. Other income**

Unit: RMB

Sources	Current Period Cumulative	Amount for the Previous Period
Government grants related to assets	23,108,894.94	17,633,089.92
Additional value-added tax credit	24,968,075.57	44,043,141.51
Government grants related to income	4,933,919.47	11,724,025.64
Refund of handling fees for withholding individual income	737,230.16	552,883.80
Total	53,748,120.14	73,953,140.87

**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	35,800,720.64	-12,751,241.12
Total	35,800,720.64	-12,751,241.12

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
Investment income from disposal of held-for-trading financial assets	5,497,962.74	
Income from financial products	8,798,952.76	47,224.90
Interest income from discounted notes	-3,519,398.05	-3,100,234.34
Total	10,777,517.45	793,864.70

Other notes

**50. Credit impairment loss**

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Loss on bad debts from notes receivables	95,102.56	-261,671.92
Loss on bad debts from receivables	-8,081,466.75	-9,665,882.13
Loss on bad debts from other receivables	-2,553,558.72	2,573,620.51
Total	-10,539,922.91	-7,353,933.54

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	-27,689,181.53	-2,366,556.28
XI. Impairment loss on contract assets		48,406.85
Total	-27,689,181.53	-2,318,149.43

Other notes:

**52. Gains on asset disposal**

Unit: RMB

Sources	Current Period Cumulative	Amount for the Previous Period
Gains on disposal of fixed assets	373,370.12	2,103,120.75

**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	
Indemnity income	3,713,307.13	2,372,595.70	
Others	1,128,015.07	1,939,145.93	
Total	4,841,322.20	6,046,142.11	

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	4,080,000.00	584,000.00	
Losses on damage or retirement of non-current assets	1,024,576.04	172,132.09	
Indemnity expenditures	3,568,208.54	1,947,166.11	
Others	704,547.33	386,980.59	
Total	9,377,331.91	3,090,278.79	

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	99,407,035.52	70,746,751.69
Deferred tax expenses	-218,815.00	6,502,618.57
Total	99,188,220.52	77,249,370.26

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

Unit: RMB

Item	Current Period Cumulative
Profit before tax	696,065,813.45
Current income tax expense accounted at statutory/applicable tax rate	104,409,872.02
Effect of different tax rate applicable to subsidiaries	309,399.11
Effect of adjustments to prior periods' income taxes	3,026,520.83
Effect of non-taxable income	-824,694.41
Effect of non-deductible costs, expenses and losses	4,343,737.91
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period	15,727,558.44
Influence of R&D expenses and deductions	-27,599,201.23
Effect of other adjusted items	-204,972.15
Income tax expenses	99,188,220.52

Other notes:

**56. Other comprehensive income**

See Note 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	55,822,145.76	69,057,019.36
Government grants	77,297,322.16	14,513,928.69
Recovery of various deposits	32,766,802.48	2,248,822.00
Others	1,710,468.07	5,866,687.93
Total	167,596,738.47	91,686,457.98

Notes:

Other cash paid relating to other operating activities

Item	Current Period Cumulative	Amount for the Previous Period
Cash payment expenditures	101,814,873.54	63,050,277.44
Payments for various deposits	3,001,436.80	1,943,558.00
Total	104,816,310.34	64,993,835.44

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	310,054,731.29	20,000,000.00
Various deposits recovered	24,968,999.98	28,907,440.00
Insurance claim recovered		1,734,400.48
Total	335,023,731.27	50,641,840.48

## 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	186,833,733.61	10,000,000.00
Payments for deposits	18,161,380.00	28,757,129.69
Total	204,995,113.61	38,757,129.69

## 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
Total		0.00

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	41,000,000.00	30,565,896.79
Lease expenses	2,130,888.19	4,461,435.11
Total	43,130,888.19	35,027,331.90

Notes:

## Changes in liabilities from financing activities

☐Applicable ☒Not applicable**(4) Note to presenting cash flows on a net amount basis**

Item	Relevant Facts	Basis for Net Amount Presentation	Financial Impact
Cash flows related to agency business	The Company presents cash flows related to the agency business on a net basis	Cash flows related to agency business are cash received and paid on behalf of customers, and the presentation of net amount better illustrates its impact on the Company's ability to pay and solvency, and is conducive to evaluating the Company's ability to pay and solvency and analyzing the Company's future cash flows.	If the total amount of agency business in the current period is presented on a net basis, it will have increase cash received from sales of goods and services and cash paid for purchases of goods and services by RMB572,462,669.53each.



**(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**

Unit: RMB

Item	Current Period	Same Period Last Year
Amount of commercial notes transferred by endorsement	882,051,638.80	923,799,764.73
Of which: Payment for goods	663,787,499.50	629,775,610.98
Payment for acquisition of long-term assets such as fixed assets	218,264,139.30	294,024,153.75

**58. Supplementary information to the cash flow statement**

**(1) Supplemental information for cash flow statement**

Unit: RMB

Supplementary Information	Amount During the Current Period	Amount During the Previous Period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	596,877,592.93	422,681,729.18
Add: Allowance for asset impairment	27,689,181.53	9,672,082.97
Depreciation of fixed assets, oil and gas assets, productive biological assets	272,580,370.73	273,047,931.17
Depreciation of right-of-use assets	3,801,341.22	12,543,434.57
Amortization of intangible assets	7,194,589.91	5,871,768.22
Amortization of long-term prepayments	41,350,721.08	44,348,038.11
Losses from disposal of fixed assets, intangible assets and other long-lived assets (gains expressed with "-")	-373,370.12	2,103,120.75
Losses from scrap of fixed assets (gains expressed with "-")	1,024,576.04	172,132.09
Losses from changes in fair value (gains expressed with "-")	-35,800,720.64	12,751,241.12
Finance costs (gains expressed with "-")	-23,484,524.29	-15,514,034.74
Investment loss (gains expressed with "-")	-10,777,517.45	-793,864.70
Decrease in deferred tax assets (gains expressed with "-")	-1,474,943.91	1,633,391.38
Increase in deferred tax liabilities (decrease expressed with "-")	1,256,128.91	4,869,227.19
Decrease in inventory (gains expressed with "-")	-62,777,191.93	21,866,220.10
Decrease in accounts receivable generated from operating activities (gains expressed with "-")	-127,003,285.64	-142,060,316.89
Increase in accounts payable used in operating activities (decrease expressed with "-")	77,865,374.22	-125,054,665.11
Others	-10,457,519.06	
Net cash flows from operating activities	757,490,803.53	528,137,435.41
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	4,301,165,353.93	3,787,598,283.98
Less: Opening balance of cash	3,854,854,923.00	3,474,836,947.19
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase of cash and cash equivalents	446,310,430.93	312,761,336.79

**(2) Net cash paid for acquisition of subsidiaries during the period**

	Amount
Cash or cash equivalents paid in the current period for business combinations occurring in the current period	32,500,000.00
Including:	
Changsha Bodian Company	32,500,000.00
Minus: The cash and cash equivalents held by the purchase date company	298,501.46
Including:	
Changsha Bodian Company	298,501.46
Including:	
The net cash paid by the subsidiary was obtained	32,201,498.54

Other notes:

**(3) Net cash received for disposal of subsidiaries during the period**

	Amount
Including:	
Including:	
Including:	

Other notes:

**(4) Cash and cash equivalents**

Unit: RMB

Item	Closing Balance	Opening Balance
I. Cash	4,301,165,353.93	3,854,854,923.00
Including: Cash on hand	6,831.51	651.20
Cash in bank on demand for payment	4,301,158,522.42	3,854,854,271.80
III. Closing balance of cash and cash equivalents	4,301,165,353.93	3,854,854,923.00

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

Unit: RMB

Item	Amount During the Current Period	Amount During the Previous Period	Reasons for Remaining Cash and Cash Equivalents
Bank deposits	1,032,281,251.54	1,133,011,200.24	The scope of use of raised funds is limited, and the payment for fundraising projects is not restricted.
Total	1,032,281,251.54	1,133,011,200.24	

**(6) Monetary assets that are not cash or cash equivalents**

Unit: RMB

Item	Amount During the Current Period	Amount During the Previous Period	Reasons for Not Being Cash and Cash Equivalents
Bank deposits	66,982,317.66	42,902,300.08	Closing provision for interest on large-amount deposit certificates
Bank deposits	190,000,000.00		Pledged loan
Bank deposits		6,567,011.77	Litigation blocked claims by the customer
Other monetary assets	7,800,009.21	1,822,604.61	It is a bank acceptance receivable and deposit for letters of credit, which does not meet the standards of cash and cash equivalents.
Total	264,782,326.87	51,291,916.46	

Other notes:

**(7) Notes of other significant activities**

**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			3,209,256,660.15
Including: USD	446,057,385.37	7.1586	3,193,146,398.91
EUR	40,638.55	8.4024	341,461.35
HKD	4,755,769.39	0.9120	4,337,023.90
JPY	793,210.00	0.0496	39,338.46
KRW	89,716,265.00	0.0053	475,496.20
TWD	31,809,524.00	0.2463	7,834,685.76
SGD	139,205.52	5.6179	782,042.69
VDN	8,367,453,174.00	0.0003	2,300,212.88
Accounts receivable			406,725,739.37
Including: USD	55,855,462.43	7.1586	399,846,913.35
EUR	86,006.58	8.4024	722,661.69
HKD	5,982,311.46	0.9120	5,455,568.94
TWD	2,806,543.00	0.2463	691,251.54
VDN	33,990,000.00	0.0003	9,343.85
Long-term borrowings			
Including: USD			
EUR			
HKD			
Other receivables			3,079,911.14
Including: USD	306,278.44	7.1586	2,192,524.84
VDN	3,106,811,206.00	0.0003	854,062.40
TWD	135,298.00	0.2463	33,323.90
Short-term borrowings			3,201,900.00
Including: TWD	13,000,000.00	0.2463	3,201,900.00
Accounts payable			105,355,123.05
JPY	18,685,000.00	0.0496	926,663.89
TWD	4,619,482.00	0.2463	1,137,778.42
USD	14,154,263.09	7.1586	101,324,707.76
VDN	7,151,593,265.00	0.0003	1,965,972.99
Other payables			10,331,129.02
KRW	24,302,601.00	0.0053	128,803.79
TWD	847,291.00	0.2463	208,687.77
USD	1,165,845.24	7.1586	8,345,819.74
VDN	5,993,778,136.00	0.0003	1,647,689.61
JPY	2,583.29	0.0496	128.12

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.
Dongsen Semiconductor Co., LTD	Hong Kong, China	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

1) For information on right-of-use assets, please refer to Note V (i) 15 of the notes to the financial statement.

2) For the Company's accounting policy for short-term leases and leases of low-value assets, please refer to section III (xxvii) of notes to the financial statement. The amounts of short-term lease expense and lease expense for low-value assets recognized in profit or loss in the current period are as follows:

Item	Current Period	Same Period Last Year
Short-term lease expense	3,341,028.46	2,961,898.08
Total	3,341,028.46	2,961,898.08

### 3) Gains/losses and cash flows related to leases in the current period

Item	Current Period	Same Period Last Year
Interest expense on lease liabilities	470,042.47	722,491.78
Total cash outflows related to leases	5,471,916.65	7,423,333.19

4) For the maturity analysis of lease liabilities and the corresponding liquidity risk management, please refer to section IX (ii) of notes to the financial statement.

#### (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	12,589,292.53	
Total	12,589,292.53	

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

## 62. Others

## VIII. R&D Expenses

Unit: RMB

Item	Current Period Cumulative	Amount for the Previous Period
Employee benefits	100,416,983.57	89,887,584.56
Direct inputs	98,366,149.67	84,119,551.39
Depreciation and amortization	12,540,270.89	13,366,370.89
Commissioned R&D expenses	75,626.25	20,000.00
Consultant certification fees	1,127,418.08	885,576.56
Others	7,904,091.97	8,990,508.46

Item	Current Period Cumulative	Amount for the Previous Period
Total	220,430,540.43	197,269,591.86
Including: Expensing R&D expenditure	220,430,540.43	197,269,591.86

## 1. Significant outsourcing ongoing research projects

Items	Expected Way of Generating Economic Benefits	Judgment Criteria and Specific Basis of Capitalization or Expensing
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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
Changsha Bodian Company	April 30, 2025	32,500,000.00	100.00%	Acquisition	April 30, 2025	Completed the industrial and commercial change registration on April 30, 2025.	4,173,184.03	1,541,818.88	-225,127.40

Other notes:

#### (2) Combination cost and goodwill

Unit: RMB

Combination Costs	
-Cash	32,500,000.00
-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	32,500,000.00
Less: Share of fair value of net identifiable assets acquired	32,500,000.00
The amount of goodwill/combination cost less than the share in the fair value of identifiable net assets acquired	0.00

The determination method of the fair value of the combination cost:

Notes to contingent 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
<b>Assets:</b>		
Cash and bank balances	202,357,168.13	202,357,168.13
Receivables	50,803,739.03	50,803,739.03
Inventories		
Fixed assets	310,482,036.07	276,474,003.16
Intangible assets	76,305,157.44	68,143,289.33
Other receivables	2,402,179.45	2,402,179.45
Other current assets	6,241,518.77	6,241,518.77
<b>Liabilities:</b>		
Borrowings	182,265,611.00	182,265,611.00
Accounts payable	34,345,648.89	34,345,648.89
Deferred tax liabilities	0.00	0.00
Other payables	399,480,539.00	399,480,539.00
Net assets	32,500,000.00	-9,669,901.02
Less: Minority interest	9,750,000.00	-2,900,970.31
Net assets acquired	22,750,000.00	-6,768,930.71

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

Combine d Party	Proportio n of the Equity	Basi s	Combinatio n Date	Recognition Basis of Combinatio n Date	Income from the Period- Begin to the Combinatio n Date of the Acquiree	Net Profits from the Period-begin to the Combinatio n Date of the Acquiree	Income of the Acquiree During the Period of Compariso n	Net Profits of the Acquiree During the Period of Compariso n
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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	

Notes to contingent liabilities and changes:

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:

### (1) Increase in the combination scope

Unit: RMB

Company Name	Equity Acquisition Method	Equity Acquisition Time	Capital Contribution Amount	Proportion of Capital Contribution
Dongsen Semiconductor Co., LTD	Incorporation	March 2025	[Note]	100.00%

[Note] : No capital contribution has been made as of the balance sheet date.

## 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	15,000,000.00	Yangzhou	Yangzhou	Electronic components manufacturing industry	98.00%		Incorporation
MCC Hong Kong	707,911,169.83	Hong Kong, China	Hong Kong, China	Investment and import & export trade	100.00%		Incorporation
MCC Shenzhen	1,000,000.00	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	70.00%		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 manufacturing industry		60.00%	Acquisition

Subsidiary	Registered Capital	Principal Place of Operation	Place of Registration	Business Nature	Shareholding Percentage (%)		Acquisition Method
					Direct	Indirect	
Hunan Jiechuwei	720,000,000.00	Changsha	Changsha	Electronic components manufacturing industry	70.00%		Acquisition
Changsha Bodian	20,000,000.00	Changsha	Changsha	Service and trading		70.00%	Acquisition
Yangzhou Jieguan	500,000,000.00	Yangzhou	Yangzhou	Electronic components manufacturing industry	90.00%		Incorporation

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
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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

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

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								

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

	Closing Balance/Current Period Cumulative				Opening Balance/Amount for the Previous Period			
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:		
Total carrying value of investments	18,797,967.26	18,797,967.26
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

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	202,793,634.62	69,114,800.00		23,108,894.94	292.36	248,799,832.04	Related to assets

### 3. Government grants recorded into current profit or loss

☒ Applicable ☐ Not applicable

Accounting Subject	Current Period Cumulative	Amount for the Previous Period
Amount of government grants included into other income	4,933,919.47	11,724,025.64

## 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 reviewed 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 items 3, 4, 5 and 7 of Section V(i) 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, 2025, 20.81% of the Company's accounts receivable (December 31, 2023: 25.65%) 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

Unit: RMB

Item	Closing Balance				
	Carrying Amount	Contract Amount Not Yet Discounted	Within One Year	One to Three Years	Above Three Years
Bank borrowings	2,719,921,059.86	2,770,632,618.96	2,024,159,873.88	583,510,458.35	162,962,286.73
Notes payable	305,035,852.04	305,035,852.04	305,035,852.04		
Accounts payable	1,567,952,586.19	1,567,952,586.19	1,567,952,586.19		
Other payables	63,903,466.98	63,903,466.98	63,903,466.98		

Item	Closing Balance				
	Carrying Amount	Contract Amount Not Yet Discounted	Within One Year	One to Three Years	Above Three Years
Lease liabilities	26,390,074.33	29,685,759.21	9,010,001.85	12,153,690.92	8,522,066.44
Subtotal	4,683,203,039.40	4,737,210,283.38	3,970,061,780.94	595,664,149.27	171,484,353.17

(Continued)

Item	Year-end Balance of Previous Year				
	Carrying Amount	Contract Amount Not Yet Discounted	Within One Year	One to Three Years	Above three years
Bank borrowings	1,978,567,625.77	2,033,170,431.76	1,479,901,310.08	387,182,480.47	166,086,641.21
Notes payable	424,034,769.86	424,034,769.86	424,034,769.86		
Accounts payable	1,567,952,586.19	1,567,952,586.19	1,567,952,586.19		
Other payables	59,613,183.59	59,613,183.59	59,613,183.59		
Lease liabilities	145,244,191.21	155,860,737.95	70,752,682.46	53,873,786.65	31,234,268.84
Subtotal	4,175,412,356.62	4,240,631,709.35	3,602,254,532.18	441,056,267.12	197,320,910.05

### 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 item 1 of Note V(iv) 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 Invalidity	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

Transfer Method	Nature of Financial Assets Transferred	Amount of Financial Assets Transferred	Derecognition	Basis for End of Recognition
Note discounting	Receivable financing	78,381,541.05	Derecognized	Almost all risks and benefits have been transferred
Note endorsement	Notes receivable	0.00	Not derecognized	Almost all risks and benefits are retained
Note endorsement	Receivable financing	306,505,895.38	Derecognized	Almost all risks and benefits have been transferred
Total		384,887,436.43		

**(2) Financial assets derecognized due to the transfer**☒ Applicable ☐ Not applicable

Item	Transfer Method of Financial Assets	Amount of Financial Assets Derecognized	Gain or Loss Related to Derecognition
Receivable financing	Discounting	78,381,541.05	-3,519,398.05
Receivable financing	Endorsement	306,505,895.38	
Total		384,887,436.43	-3,519,398.05

**(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 and other non-current financial assets	179,897,146.09	438,354,009.38	323,051,738.00	941,302,893.47
(1) Financial assets classified as at fair value through profit and loss for the current period	179,897,146.09	438,354,009.38	323,051,738.00	941,302,893.47
Financial products			229,323,600.00	229,323,600.00
Equity instruments investments	179,897,146.09	438,354,009.38	93,728,138.00	711,979,293.47
ii. Receivables financing			187,673,500.40	187,673,500.40
Total assets at recurring fair value measurement	179,897,146.09	438,354,009.38	510,725,238.40	1,128,976,393.87
II. Inconsistent fair value measurement	--	--	--	--

**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 RMB179,897,146.09 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), and shares of United Nova Technology Co., Ltd. (stock code: 688469) 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. 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****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**

(1) Short-term financial products purchased in the amount of RMB229,323,600.00, with a short remaining term, have a small difference between fair value and carrying value. Therefore, the carrying value was used to determine their fair value.

(2) Among the equity instrument investments, the investments in Hainan Huoyan Xihe Equity Investment Private Equity Fund Partnership (LP), Dalian Jafeng, Jiangsu Applied Power, Chengdu Senmi Technology Consulting Partnership (LP) and Shanghai Hestia Power Enterprise Management Partnership (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.

(3) 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.

**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	36.10%	36.10%

Notes to the information on the parent company

The Company’s ultimate controlling party is Liang Qin.

The Company’s ultimate controlling party is

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 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
------	-------------------------------

Other notes

### 4. Information on other related parties

Related Parties	Relationship with the Company
Jiangsu Applied Power	Its shares are held by the Company
Dalian Jafeng	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 Applied Power Microelectronics Co., Ltd	Finished products	28,256,465.29		No	20,021,651.40
Dalian Jafeng Automation Co., Ltd	Purchase equipment and materials	165,960.60		No	212,345.13

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	Sell goods	2,829,805.29	1,373,575.01

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	3,590,672.05	3,426,897.02

**(8) Other related-party transactions**

The Company donated educational funds of RMB4 million 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 Applied Power	1,291,394.58	64,569.73	578,266.75	28,913.34
Subtotal		1,291,394.58	64,569.73	578,266.75	28,913.34

**(2) Accounts payable**

Unit: RMB

Items	Related Parties	Closing Carrying Balance	Opening Carrying Balance
Accounts payable	Jiangsu Applied Power	12,163,380.06	16,466,714.25
Accounts payable	Dalian Jafeng	401,017.56	418,284.03
Subtotal		12,564,397.62	16,884,998.28

**7. Commitments of related party****8. Other****XV. Stock payment****1. The overall situation of share-based payments**

☐Applicable ☒Not applicable

**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****6. Others****XVI. Commitments and contingency****1. Significant commitments**

Significant commitments on balance sheet date

**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)	4.2
Amount of dividends every 10 shares declared for distribution upon deliberation and approval (RMB)	4.2
Profit distribution plan	Based on the total share capital of 543,347,787 shares as of August 18, 2025, a cash dividend of RMB4.20 (tax-inclusive) per ten shares will be distributed to all shareholders, totaling RMB228,206,070.54 (tax-inclusive).

**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****(2) The financial information of reportable segment**

Unit: RMB

Item		Offset among Segment	Total

**(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)	1,979,708,953.59	1,866,097,230.01
One to two years	2,932,202.30	1,031,037.28
Two to three years	1,659,545.06	2,960,532.67
Above three years	14,362,583.94	9,127,453.12
Three to four years	14,362,583.94	9,127,453.12
Total	1,998,663,284.89	1,879,216,253.08

**(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	113,200.38	0.01%	113,200.38	100.00%	0.00	1,086,941.38	0.06%	1,086,941.38	100.00%	0.00
Of which:										
Accounts receivable of bad debt provision withdrawn by group	1,998,550,084.51	99.99%	114,357,824.00	5.72%	1,884,192,260.51	1,878,129,311.70	99.94%	103,415,613.81	5.51%	1,774,713,697.89
Of which:										
Total	1,998,663,284.89	100.00%	114,471,024.38	5.73%	1,884,192,260.51	1,879,216,253.08	100.00%	104,502,555.19	5.56%	1,774,713,697.89

Name of category of bad debt provision withdrawn by single item: Receivables with provision made 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	1,086,941.38	1,086,941.38	113,200.38	113,200.38	100.00%	

single item						
Total	1,086,941.38	1,086,941.38	113,200.38	113,200.38		

Name of category of bad debt provision withdrawn by group: Ages

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Within one year (inclusive)	1,979,708,953.59	98,985,447.68	5.00%
One to two years	2,932,202.30	293,220.23	10.00%
Two to three years	1,659,545.06	829,772.53	50.00%
Above three years	14,249,383.56	14,249,383.56	100.00%
Total	1,998,550,084.51	114,357,824.00	

Notes to the determination basis for the group:

If the general mode of expected credit loss is adopted to withdraw bad debt provision of 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	1,086,941.38			973,741.00		113,200.38
Bad debt provision withdrawn by group	103,415,613.81	10,963,673.23		21,463.05		114,357,823.99
Total	104,502,555.19	10,963,673.23		995,204.05		114,471,024.37

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	

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
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Notes to verification of accounts receivable:

**(5) Top five 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	351,180,354.17		351,180,354.17	17.57%	17,559,017.71
No. 2	159,476,710.17		159,476,710.17	7.98%	7,973,835.51
No. 3	129,761,125.09		129,761,125.09	6.49%	6,488,056.25
No. 4	76,228,730.40		76,228,730.40	3.81%	8,760,261.24
No. 5	59,255,042.58		59,255,042.58	2.96%	2,962,752.13
Total	775,901,962.41		775,901,962.41	38.81%	43,743,922.84

**2. Other receivables**

Unit: RMB

Item	Closing Balance	Opening Balance
Other receivables	488,827,585.16	119,846,459.88
Total	488,827,585.16	119,846,459.88

**(1) Other receivables****1) Category of other receivables by account nature**

Unit: RMB

Nature of Receivables	Closing Carrying Balance	Opening Carrying Balance
Call loans	503,964,178.83	110,048,204.29
Guarantee deposits	11,922,542.30	13,069,956.00
Temporary payment receivable	6,319,593.24	5,614,686.26
Others	1,107,494.79	938,725.34
Total	523,313,809.16	129,671,571.89

**2) Disclosure by ages**

Unit: RMB

Ages	Closing Carrying Balance	Opening Carrying Balance
Within one year (inclusive)	455,229,274.09	120,874,300.37
One to two years	62,463,770.31	5,182,012.96
Two to three years	284,763.00	704,125.74
Above three years	5,336,001.76	2,911,132.82

Three to four years	5,336,001.76	2,911,132.82
Total	523,313,809.16	129,671,571.89

### 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	523,313,809.16	100.00%	34,486,224.00	6.59%	488,827,585.16	129,671,571.89	100.00%	9,825,112.01	7.58%	119,846,459.88
Of which:										
Total	523,313,809.16	100.00%	34,486,224.00	6.59%	488,827,585.16	129,671,571.89	100.00%	9,825,112.01	7.58%	119,846,459.88

Name of category of bad debt provision withdrawn by group: Ages

Unit: RMB

Name	Closing Balance		
	Carrying Balance	Bad Debt Provision	Withdrawal Proportion
Within one year	455,229,274.09	22,761,463.71	5.00%
One to two years	62,463,770.31	6,246,377.03	10.00%
Two to three years	284,763.00	142,381.50	50.00%
Above three years	5,336,001.76	5,336,001.76	100.00%
Total	523,313,809.16	34,486,224.00	

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, 2025	6,043,715.02	518,201.30	3,263,195.69	9,825,112.01
Balance as at January 1, 2025 in the current period				
--Transferred to stage 2	-3,123,188.52	3,123,188.52		
--Transferred to stage 3		-28,476.30	28,476.30	
Provision withdrawn in the current period	19,840,937.21	2,633,463.51	2,186,711.27	24,661,111.99
Balance as at June 30, 2025	22,761,463.71	6,246,377.03	5,478,383.26	34,486,224.00

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	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
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#### 5 Other receivables with actual verification in the current period

Unit: RMB

Item	Written-off Amount
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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
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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	383,000,000.00	Within one year	73.19%	19,150,000.00
No. 1	Call loans	53,999,266.49	One to two years	10.32%	5,399,926.65
No. 2	Call loans	52,514,912.34	Within one year	10.04%	2,625,745.62
No. 3	Call loans	14,450,000.00	Within one year	2.76%	722,500.00
No. 4	Guarantee deposits	2,000,000.00	Above three years	0.38%	2,000,000.00
No. 5	Temporary payments receivable	1,800,000.00	Above three years	0.34%	1,800,000.00

Entity	Nature	Closing Balance	Ages	Proportion to Total Closing Balance of Other Receivables	Closing Balance of Bad Debt Provision
Total		507,764,178.83		97.03%	31,698,172.27

### 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	2,249,861,753.79	2,044,509.64	2,247,817,244.15	2,247,761,753.79	2,044,509.64	2,245,717,244.15
Investments in associates and joint ventures	18,797,967.26		18,797,967.26	18,797,967.26		18,797,967.26
Total	2,268,659,721.05	2,044,509.64	2,266,615,211.41	2,266,559,721.05	2,044,509.64	2,264,515,211.41

#### (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		0.00				25,917,546.71	
MCC Hong Kong	707,911,169.83		0.00				707,911,169.83	
Hunan Jiechuwei	650,416,121.58		0.00				650,416,121.58	
Yangzhou Jieguan	450,102,491.51		0.00				450,102,491.51	
Sihong Hongxin	101,739,610.76		0.00				101,739,610.76	
Chengdu Qingyang	131,322,499.80		0.00				131,322,499.80	
Yangjie Wuxi	52,077,935.09		0.00				52,077,935.09	
Yangjie Semiconductor	50,724,448.81		0.00				50,724,448.81	
Yixing Jiexin	36,467,931.60		0.00				36,467,931.60	
Wuxi Jiexiwei	10,000,000.00		0.00				10,000,000.00	
MCC Shenzhen	9,583,324.26		0.00				9,583,324.26	
Shanghai Lingxin	5,114,166.60		0.00				5,114,166.60	
Yangjie Korea	4,383,377.26		0.00				4,383,377.26	
MCC Jiangsu	2,914,759.98		0.00				2,914,759.98	
Shanghai Xinyang	474,890.36	2,044,509.64	0.00				474,890.36	2,044,509.64
Hangzhou Yijia	3,000,000.00		0.00				3,000,000.00	
Yangjie Japan	2,456,970.00		0.00				2,456,970.00	
Yangzhou Jiejia	1,000,000.00		0.00				1,000,000.00	
Yangzhou Dongxing	110,000.00		2,100,000.00				2,210,000.00	
Total	2,245,717,244.15	2,044,509.64	2,100,000.00				2,247,817,244.15	2,044,509.64

#### (2) Investment to joint ventures and associated enterprises

Unit: RMB

Investee	Opening Balance (Carrying Amount)	Opening Balance of Allowance for	Increase/Decrease for the Current Period								Closing Balance (Carrying Amount)	Closing Balance of Allowance for
			Investments Increased	Investments Decreased	Investment Gains and Losses	Adjustment of Other Comprehensive	Other Equity Changes	Cash Dividend/ Profit	Allowance for Impairment	Others		



		Impairment			Recognized Under Equity Method	Income		Declared for Distribution				Impairment
I. Joint ventures												
II. Associated enterprises												
Jiangsu Intelligent Microsystem	18,797,967.26										18,797,967.26	
Subtotal	18,797,967.26										18,797,967.26	
Total	18,797,967.26										18,797,967.26	

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	2,845,612,935.36	2,099,425,830.10	2,334,680,676.76	1,849,709,152.94
Other business	122,592,125.43	71,074,602.61	133,204,676.19	87,191,178.64
Total	2,968,205,060.79	2,170,500,432.71	2,467,885,352.95	1,936,900,331.58

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:								

Category of contracts	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Contract type								
Of which:								
Classification by time of commodity transfer	2,968,205,060.79	2,099,425,830.10					2,968,205,060.79	2,099,425,830.10
Of which:								
Recognized at a point in time	2,968,205,060.79	2,099,425,830.10					2,968,205,060.79	2,099,425,830.10
Classification by contract term								
Of which:								
Classification by sales channel								
Of which:								
Total	2,968,205,060.79	2,099,425,830.10					2,968,205,060.79	2,099,425,830.10

## 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 RMB1,209,408,531.02, of which RMB1,188,102,698.29 is expected to be recognized in 2025, and RMB21,305,832.73 in 2026, and RMB0.00 in 2027.

## 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 the cost method	3,395,146.43	
Investment income from long-term equity investments under the equity method		33,846,874.14
Interest income from discounted notes	-2,937,489.67	-2,678,545.61
Investment income from wealth management products	8,799,286.81	47,224.90
Investment income from disposal of debt investments		
Total	9,256,943.57	31,215,553.43

**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	-651,205.92	
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)	4,933,919.47	
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)	35,800,720.65	
Gains on assets consigned to the third party for investment or management	14,296,915.50	
Other non-operating revenue or expenditures	-3,511,433.67	
Less: Income tax effects	8,246,020.50	
Minority shareholders' equity impacts (after tax)	308,475.82	
Total	42,314,419.71	--

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	6.63%	1.12	1.12
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	6.17%	1.04	1.04

## 3. Accounting data differences under CAS and those under the foreign accounting standards

**(1) Differences between disclosed net profits and net assets in financial statements in accordance with International Accounting Standards (IAS) and CAS**

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

**(3) Explain reasons for the differences between accounting data under CAS and foreign 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.**

☐ Applicable ☒ Not applicable

## 4. Others