

# **Suzhou Dongshan Precision Manufacturing Co., Ltd.**

## **Semi-Annual Report 2025**



**August 27, 2025**

## Section I Important Note, Table of Contents and Definitions

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

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

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

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

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

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

### Note:

This document is a translated version of the Chinese Semi-Annual Report 2025 (“2025 年半年度报告”). In case of any discrepancies, the Semi-Annual Report 2025 published in the Chinese version shall prevail. The full Chinese Semi-Annual Report 2025 is available at [www.cninfo.com.cn](http://www.cninfo.com.cn).

## Table of Contents

Section I Important Note, Table of Contents and Definitions .....	2
Section II Company Profile and Financial Highlights .....	7
Section III Management's Discussion and Analysis .....	10
Section IV Corporate Governance, Environment, and Society .....	26
Section V Significant Matters .....	29
Section VI Changes in Shares and Shareholders .....	37
Section VII Bonds .....	43
Section VIII Financial Report .....	44
Section IX Other Reporting Data .....	154

## List of References

I. Financial statements signed and chopped by Mr. YUAN Yonggang, legal representative, Mr. WANG Xu, CFO, and Mr. ZHU

Deguang, Accounting Supervisor of the Company;

II. Originals of all documents of the Company publicly disclosed during the reporting period and related announcements;

III. Original of the Semi-Annual Report 2025 stamped with the seal and signed by the legal representative of the Company; and

IV. Place keeping such documents for inspection: Securities Department of the Company at Building 12#, Yunhe Town

Headquarters Industrial Park, No. 99 East Taihu Road, Wuzhong District, Suzhou.

## Definitions

Term	means	Definition
Company, we or DSBJ	means	Suzhou Dongshan Precision Manufacturing Co., Ltd.
Electronic circuit	means	one of our three major business segments, including research and development (R&D), design, manufacturing and sale of FPCs, rigid PCBs, rigid-flex PCBs and other products.
Photoelectric display	means	one of our three major business segments, including R&D, design, manufacturing and sale of LED devices, touch panels, LCMs and other products.
Precision manufacturing	means	one of our three major business segments, including design, manufacturing and sale of precision metal structural components and assemblies and other products.
Yongchuang Communication	means	Suzhou Yongchuang Communication Technology Co., Ltd., a wholly owned subsidiary of the Company.
HongKong Dongshan	means	HongKong Dongshan Precision Union Optoelectronic Co., Limited, a wholly owned subsidiary of the Company.
HongKong Dongshan Holding	means	HongKong Dongshan Holding Limited, a wholly owned subsidiary of the Company.
Dragon Holdings	means	Dragon Electronix Holdings Inc., a wholly owned subsidiary of HongKong Dongshan.
MFLEX	means	Multi-Fineline Electronix, Inc., a wholly owned subsidiary of Dragon Holdings.
MFLEX Suzhou	means	MFLEX Suzhou Co., Ltd., a wholly owned subsidiary of MFLEX.
MFLEX Yancheng	means	MFLEX Yancheng Co., Ltd., a wholly owned subsidiary of MFLEX.
Multek Group	means	Multek Group (Hong Kong) Limited, a wholly owned subsidiary of HongKong Dongshan Holding.
Multek Industries	means	Multek Industries Limited, a wholly owned subsidiary of Multek Group.
Multek Electronics	means	Multek Electronics Limited, a wholly owned subsidiary of Multek Group.
Multek China	means	Multek China Limited, a wholly owned subsidiary of Multek Group.
Yancheng Dongshan	means	Yancheng Dongshan Precision Manufacturing Co., Ltd., a wholly owned subsidiary of the Company.
Mutto Optronics	means	Mutto Optronics Technology Co., Ltd., a wholly owned subsidiary of the Company.
RF Top Electronic	means	Suzhou RF Top Electronic Communication Co., Ltd., a controlled subsidiary of the Company.
Suzhou JDI	means	Suzhou JDI Electronics Inc.
Aranda	means	Aranda Tooling, Inc., AutoTech Production Services, Inc. and Autotech Production de Mexico S. de R. L. de C.V.
5G	means	the 5 <sup>th</sup> generation mobile communication technology.
AI	means	artificial intelligence, the simulation of human intelligence using computer programs.
AR	means	augmented reality, a technology that combines and integrates the virtual world on screen with the real world, based on precise calculation of position and angle of camera images and image analysis technology.
VR	means	virtual reality, a computer-simulated 3D virtual world with scenes and objects that appear to be real.
IoT	means	Internet of Things, a system of interrelated computing devices, mechanical and digital machines, that has a unique identifier (UID) and is capable of transmitting data over the network.
PCB	means	printed circuit board, a finished product with insulated substrates and conductors as materials, designed and made into printed circuits, printed components or a combination of conductive patterns according to the pre-designed circuit schematic diagram.
FPC	means	Flexible Printed Circuit.
LED or LED device	means	light-emitting diode, a semiconductor diode that emits incoherent light when current flows through it, and the recombination of electrons and electron holes in the semiconductor produces radiation, for the purpose of this Report, including LED particles, LED light bars, LED backlight modules, LED lighting devices and other LED products.

Term	means	Definition
Mini LED	means	sub-millimeter light emitting diode, an LED device with a grain size of 50-200μm.
LCM	means	LCD module or LCD display module, formed by assembling LCD display device with the relevant connectors, control, driver and other peripheral circuits, PCB circuit board, backlight source, structural components and other components.
Touch panel	means	a device under the protection of transparent glass that detects touches using sensors, and processes and transmits the relevant information.
AOA	means	Articles of Association of Suzhou Dongshan Precision Manufacturing Co., Ltd.
CSRC	means	China Securities Regulatory Commission.
SZSE	means	Shenzhen Stock Exchange
Reporting period	means	From January 1, 2025 to June 30, 2025
RMB and RMB 0'000	means	Renminbi and ten thousand Yuan respectively.

## Section II Company Profile and Financial Highlights

### I. Company Profile

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

### II. Contact Person and Contact Information

	Board Secretary	Securities Affairs Representative
Name	MAO Xiaoyan	ZHOU Hao
Address	Building 12#, Yunhe Town Headquarters Industrial Park, No. 99 East Taihu Road, Wuzhong District, Suzhou	Building 12#, Yunhe Town Headquarters Industrial Park, No. 99 East Taihu Road, Wuzhong District, Suzhou
Telephone	0512-80190019	0512-80190019
Facsimile	0512-80190029	0512-80190029
Email	maoxy@dsbj.com	hao.zhou@dsbj.com

### III. Other Information

#### 1. Contact information of the Company

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

☐ Applicable ☒ N/A

There has been no change in our registered address, office address and corresponding postal code, website and email address, etc., as detailed in the Annual Report 2024.

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

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

☐ Applicable ☒ N/A

The website of the stock exchange and the media and its website disclosing our semi-annual report, as well as the place for keeping our semi-annual report remain unchanged, as detailed in the Annual Report 2024.

#### 3. Other related information

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

☐ Applicable ☒ N/A

## IV. Key Accounting Data and Financial Indicators

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

☐ Yes ☒ No

	The reporting period	The same period of the previous year	Y/Y % change
Operating revenue (RMB)	16,955,163,898.89	16,628,586,195.56	1.96%
Net profit attributable to shareholders of the Listed Company (RMB)	758,005,980.61	560,600,936.27	35.21%
Net profit attributable to shareholders of the Listed Company after deduction of non-recurring gain or loss (RMB)	656,799,943.31	516,020,496.59	27.28%
Net cash flow from operating activities (RMB)	2,500,118,021.28	2,088,969,399.28	19.68%
Basic earnings per share (RMB/share)	0.45	0.33	36.36%
Diluted earnings per share (RMB/share)	0.45	0.33	36.36%
Weighted average return on net assets	3.95%	3.05%	0.90%
	The end of the reporting period	The end of the previous year	% Change
Total assets (RMB)	47,886,706,779.38	46,014,173,064.47	4.07%
Net assets attributable to shareholders of the Listed Company (RMB)	20,869,723,523.97	18,826,387,269.38	10.85%

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

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

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

☒ Applicable ☐ N/A

In RMB

Item	Amount	Remark
Gain or loss on disposal of non-current assets (including allowance for impairment of assets that have been written off)	-21,866,977.73	
Government grants recognized in profit or loss (excluding the government grants that are closely related to the business of the Company, conform to the applicable policies of the country, are provided	135,129,891.48	



in accordance with the established standards, and continuously affect the Company's profit or loss)		
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities, and gain or loss on disposal of financial assets and financial liabilities, except for effective hedges held in the ordinary course of business	5,592,799.26	
Other non-operating revenues and expenses	1,345,108.64	
Less: Effect on income tax	18,885,610.71	
Effect on minority interests (exclusive of tax)	109,173.64	
Total	101,206,037.30	

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

## Section III Management's Discussion and Analysis

### I. Situations of Our Primary Business during the Reporting Period

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

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

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

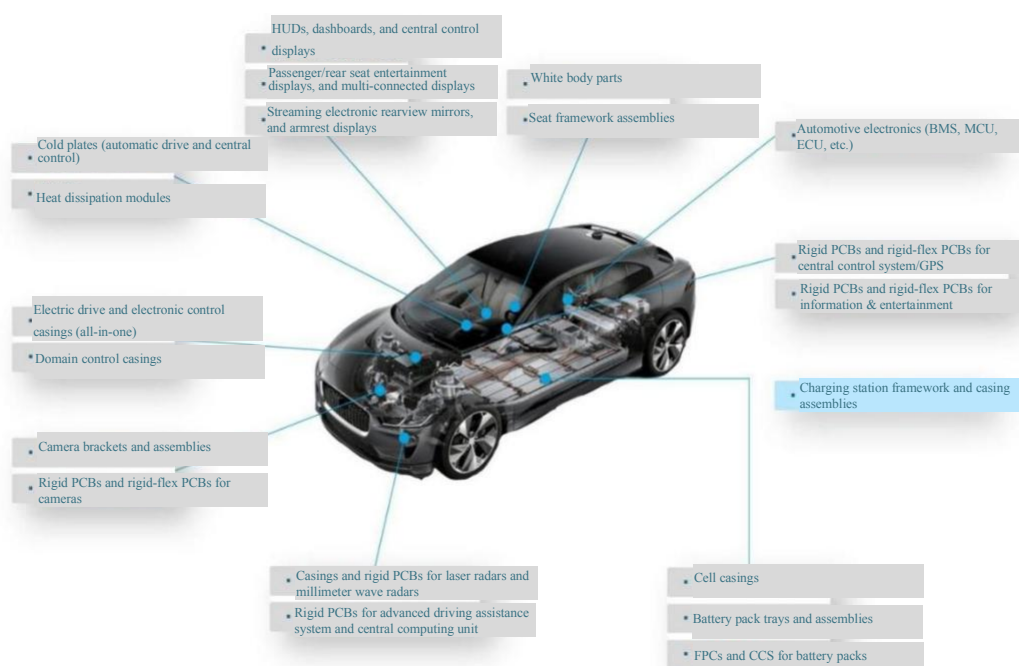
We leverage our complete business chain to provide our customers with comprehensive, one-stop, industry-leading services, continuously increase the depth of cooperation and adhesion with our customers, and maintain long-term, stable cooperation with premium customers taking the lead in the global consumer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

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

(1) Our main products and their applications:

Product	Type	Product features	Main application
Electronic circuit	Rigid board	Printed circuit board made of a rigid substrate that is hard to bend with certain toughness, with the advantages of supporting the electronic components attached to it	Widely used in electronic devices such as computers, network equipment, communication equipment, industrial control, automotive, military aviation, etc.
	Flexible board	Printed circuit boards made of flexible substrates, with the advantages of being light, thin, bendable and suitable for three-dimensional assembly, and optimal for electronic products with requirements for miniaturization, lightweight, and mobility	Widely used, mainly in smartphones, tablet computers, wearable devices, new energy, etc. at present
	Rigid-flexible board	Also known as "soft and hard board", meaning the creation of a three-dimensional circuit board by laminating different flexible boards with rigid boards, where the circuit interconnection between the rigid printed circuit board and flexible printed circuit board is implemented through hole metallization process, so that the flexible board portion is bendable while the rigid board portion can support heavy devices	Mainly used in medical equipment, navigation systems, consumer electronics and other products
Precision manufacturing	Communication products	With RF technology and precision manufacturing as the core, provide customers with antennas, filters and other products related to wireless base stations	Mainly used in wireless communication base stations
	Automotive products	Process aluminum alloy materials into automotive parts or products with precise shapes, precise dimensions and high surface quality through die casting, stamping, sheet metal, precision machining and other processes	Mainly used in the "three electric systems" of new energy vehicles
Photoelectric display	Display module	Integrate display screen, driver IC and backlight system (partially required) together to convert electrical signals into visible optical images	Widely used in smart phones, tablet computers, laptop computers, automotive, industrial control, medical field, smart homes, etc.
	Touch panel modules	An electronic component combining a touch screen with a display screen (such as LCD, OLED, etc.), which can realize the display and touch input functions at the same time	

## (2) Applications of our products in new energy vehicles:



## (3) Our situation in the industry:

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

In the field of precision components, we are one of the largest specialized precision component suppliers, providing structural components for new energy vehicles, communication equipment and other fields, and mainly serve well-known global new energy vehicle and communication equipment manufacturers, so we have strong competitive advantages in the industry.

In the field of touch panel modules and LED display devices, we are one of the largest touch panel module and LED display device manufacturers in China. We stand out based on our overall strength in on-board display modules and medium- and large-size consumer electronics display modules. Thanks to our continuous efforts for technology R&D and market development, we are constantly enhancing our overall strength in the display module business as a strong support to drive the performance growth of the company.

In the upstream supply chain of new energy vehicles, we are one of the few vendors able to provide the new energy vehicle manufacturers with PCBs (including FPCs), on-board display screens, functional and structural components, and other products and integrated solutions. At present, we have achieved good operating results in our new energy business in aspects of the product strategy, technology accumulation, customer development etc. In the future, we will leverage our advantages in the coverage of multiple industry chains and the provision of integrated solutions to further improve customer adhesion and enhance the value of supply chain collaboration.

## II. Core Competencies of DSBJ

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

After years of hard work, we have attracted top global customers in the industry and accumulated high-quality customer resources, which have produced good demonstration effects and improved our reputation. This not only improves our ability to develop new customers and facilitate the acquisition of more support from customers in competition in the future, but also facilitates the in-depth of collaborative innovation between us and existing leading customers and the deployment in emerging fields. Our rich customer base covers multiple industries, including consumer electronics, new energy vehicles and communication equipment, which can help us resist the quarterly and cyclical effects of operations in different industries and enhance our core competitiveness.

### (II) Advantage in management: Advanced concepts, complete systems, and efficient execution

We advocate the corporate spirit of “openness, inclusion, pragmatism and enterprising”, stick to the management principle of “overall planning, the delegation of powers in business operation, support by the platform and centralized supervision”, give full play to the initiative and creativity of all organizations, and have built a scientific and efficient management system. The continuous improvement in management and control at the group level and the gradual establishment of a global operating framework provide a solid foundation for business expansion and cross-region development. Our management team has practical experience in the management of the advanced manufacturing industry, has a wide global vision, is able to make accurate strategic judgments and decisions on the trends of the industry and opportunities for development, and has strong cohesion and executive ability. Given our rich experience in cross-border mergers and acquisitions, restructuring and integration, we can successfully advocate our corporate culture and business models to the acquired and restructured target companies with the core concept of China’s manufacturing industry, so as to constantly enhance agglomeration effects and comprehensive value of resources and help the target companies improve operating performance rapidly. By implementing institutional transformation under the concept of people orientation, we take the initiative to adapt to changes in environment, match with business demands, and accumulate talents for corporate development, hence building the core driving force for future development.

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

In recent years, by means of acquisitions and internal development, we have broken development bottlenecks, continuously adjusted and optimized the strategic focus, and introduced superior businesses to build up new growth drivers. At present, our product offerings cover three business segments, namely electronic circuit, photoelectric display and precision manufacturing. We are able to provide consumer electronics, new energy customers, and other industry customers with a variety of basic and core components for intelligent interconnection. In the field of electronic circuit, we have grown into a leading company in the industry. In terms of the new energy business, we have established our advantageous position in the industry with our on-board FPC, liquid cooling plate, battery housing and other products. In addition, we also actively give full play to the synergy of various business segments in R&D, technology, supply chain, products and markets, and integrate internal resources to actively provide customers with competitive products and solutions through forward-looking research and development of the industry.

### (IV) Advantage in technologies: Stick to the principle that technological innovation capability is the primary production factor

We attach great importance to technological innovation in our business development, and drive our development through innovation. Through participation in the preliminary development projects of the industry-leading customers, we keep in step with the development of cutting-edging technologies, and have built a complete R&D system and efficient R&D mechanisms, and a global R&D team with outstanding professional level, rich industrial experience and strong innovation capabilities. Through continuous funding for R&D of new materials, new technologies and new production processes, we have vigorously explored

frontier production technologies for core components in the field of intelligent interconnection, and laid solid foundations for serving emerging businesses, such as AI, AR/VR, IoT, etc. While improving product technologies, we attach great importance to the innovation and upgrading of production technologies, and have gained certain effects in the integrated development of informatization and industrialization. By promoting the integrated development of industrialization and informatization, we have vigorously implemented intelligent manufacturing and built smart factories.

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

Our customers are well-known domestic and international hi-tech companies that have high purchase quantities, strict requirements for the delivery of products, and high requirements for the scale of production and production efficiency of suppliers. Through years of development and accumulation, we have grown into a supplier of core components for intelligent interconnection with relatively strong overall capabilities in China. Our large scale of production can satisfy the purchase demands of major downstream customers, creating a big advantage in scale. On the one hand, our scale advantage is helpful to reduce the unit product production costs thanks to our strong purchasing bargaining power; on the other hand, we have gradually built global procurement capabilities so that we have left competitors behind by integrating global resources, which further consolidates and improves our position in the industry and enhances our core competitiveness.

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

We closely follow the national development strategies, actively take part in global economic competitions, and continuously enhance the integration of high-quality resources of the industry. In recent years, we have established operating entities with different functions in North America, Europe, Southeast Asia and other countries and regions. Under the main strategy of “two-wheel drive”, we focus on the two key fields of consumer electronics and new energy vehicles. In order to actively respond to the demands of customers, we have accelerated the construction of overseas production bases, and have achieved proper expansion. We continuously enhance our overseas talent force to further improve our international operating capabilities, which facilitates a new layout of domestic and international development enhancing each other, so as to actively respond to the complex competition environment.

### III. Analysis of Primary Business

In the first half of 2025, we seized the opportunity in the fast development of the electronic circuit industry while continuously maintaining our competitive advantages in core parts of new energy vehicles, and actively promoted new product R&D and customer development. Our continuous efforts for quality enhancement and efficiency improvement have led to stable growth in operating benefits. During the reporting period, we completed a private placement to provide a solid fund guarantee for the new strategic layout. Thanks to the breakthrough in AI technologies since the last year, which will result in additional capital expenditures of cloud vendors in computing data centers, there will be an explosive growth in the demand for data servers and new development opportunities for relevant industries. We make full use of our technologies and competencies in electronic circuits, precision manufacturing, and other industries to quickly start the planning of new production capacity for high multi-layer circuit boards, and seize the market opportunity of AI servers by taking active measures to acquire Source Photonics, hence entering the optical module market. During the reporting period, we achieved the total operating revenue of RMB 16.955 billion, increased by 1.96% year on year; and achieved the net profit attributable to shareholders of the listed company of RMB 758 million, increased by 35.21% year on year. Our main endeavors from January to June 2025 are as follows:

#### 1. Building the foundation with product capabilities while enhancing innovations

Holding product innovation as the core driver of the Company, we maintained R&D investment, engaged in forward-looking R&D, and planned and expanded into new industries while ensuring advanced technologies to constantly create competitive products and services, hence continuously meeting the demands of the industries and customers.

## 2. Enhancing operating benefits through coordinated operation

We have built an efficient internal coordination mechanism through in-depth process management and control to effectively improve operating benefits. The stable operation ensured healthy financial indicators and sufficient cash flows. Moreover, we continuously improved our level of smart manufacturing with data governance as the key on the basis of advanced technologies and a talent pool.

## 3. Promoting high-quality corporate development through organizational reform and development

We implemented the measures of “combining recruitment with personal growth” and enhanced continuous investment in corporate human resources. On the one hand, we attracted outstanding graduating students to build a talent pool through the “Evergreen Plan”; on the other hand, we made active measures to optimize the internal system for talent development. Meanwhile, by building a positive corporate culture and a competitive remuneration system, we have built an energetic, efficient, and cooperative team to promote the high-quality development of the Company.

## 4. Expanding into new fields to achieve diversified development

On the basis of the stable improvement in the consumer electronics business, we made use of our capabilities and advantages to concentrate internal and external resources to gradually expand into new fields and industries. The reporting period witnessed the continuous and stable growth in the operating revenue from the new energy business, which has built our reputation in the industry. In the first half of this year, we started our efforts to acquire GMD from France and Source Photonics; these new businesses will provide a solid foundation for the long-lasting sustainable development of the Company.

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

In RMB

	The reporting period	The same period of the previous year	Y/Y % change	Reason for change
Operating revenue	16,955,163,898.89	16,628,586,195.56	1.96%	
Operating cost	14,650,499,235.90	14,455,695,057.51	1.35%	
Selling expenses	157,942,605.07	198,461,411.65	-20.42%	
Administrative expenses	547,561,939.49	513,932,018.38	6.54%	
Financial expenses	29,546,958.47	-27,540,920.14	207.28%	Primarily due to the high exchange gains in the same period of the previous year.
Income tax expenses	201,934,636.13	124,174,716.66	62.62%	Primarily due to the increase in taxable incomes in the current period, and the decrease in deferred income tax assets due to the reversion of the inventory provision in the current period.
Net cash flows from operating activities	2,500,118,021.28	2,088,969,399.28	19.68%	
Net cash flows from investing activities	-1,986,314,848.75	-1,813,918,499.58	-9.50%	
Net cash flows from financing activities	1,523,390,849.48	35,241,082.03	4222.77%	Primarily due to the fundraising through private placement of shares in

				the current period.
Net increase in cash and cash equivalents	2,072,977,324.38	406,867,075.93	409.50%	Primarily due to the fundraising through private placement of shares in the current period.

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

☐ Applicable ☒ N/A

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

Components of operating revenue

In RMB

	The reporting period		The same period of the previous year		Y/Y % change
	Amount	% of operating revenue	Amount	% of operating revenue	
Total operating revenue	16,955,163,898.89	100%	16,628,586,195.56	100%	1.96%
By segment					
Computer, communication and others	16,756,004,204.58	98.83%	16,521,772,107.69	99.36%	1.42%
Others	199,159,694.31	1.17%	106,814,087.87	0.64%	86.45%
By product					
Electronic circuits	11,059,315,884.89	65.23%	10,850,236,100.11	65.25%	1.93%
LED display devices	285,852,926.70	1.69%	437,960,520.69	2.63%	-34.73%
Touch panels and LCMs	3,048,999,533.55	17.98%	3,122,349,556.40	18.78%	-2.35%
Precision components	2,361,835,859.44	13.93%	2,111,225,930.49	12.70%	11.87%
Others	199,159,694.31	1.17%	106,814,087.87	0.64%	86.45%
By region					
Domestic market	3,787,323,865.50	22.34%	3,206,081,274.20	19.28%	18.13%
Overseas market	13,167,840,033.39	77.66%	13,422,504,921.36	80.72%	-1.90%

Note: During the reporting period, the overall revenue from the new energy business was approximately RMB 4.94 billion, a year-on-year increase of about 29.66%.

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

☒ Applicable ☐ N/A

In RMB

	Operating revenue	Operating cost	Gross margin	Y/Y % change in operating revenue	Y/Y % change in operating cost	Y/Y % change in gross margin
By segment						
Computer, communication and others	16,756,004,204.58	14,521,655,805.67	13.33%	1.42%	0.79%	0.54%
By product						
Electronic circuits	11,059,315,884.89	9,118,683,144.38	17.55%	1.93%	1.75%	0.14%
LED display devices	285,852,926.70	339,464,622.72	-18.75%	-34.73%	-38.92%	8.14%
Touch panels and LCMs	3,048,999,533.55	2,896,912,619.69	4.99%	-2.35%	-3.40%	1.03%
Precision components	2,361,835,859.44	2,166,595,418.88	8.27%	11.87%	14.51%	-2.11%
By region						

Domestic market	3,787,323,865.50	3,650,601,159.08	3.61%	18.13%	18.78%	-0.53%
Overseas market	13,167,840,033.39	10,999,898,076.82	16.46%	-1.90%	-3.36%	1.26%

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

☐ Applicable ☒ N/A

#### IV. Analysis of Non-primary Business

☐ Applicable ☒ N/A

#### V. Analysis of Assets and Liabilities

##### 1. Material changes in the components of assets

In RMB

	The end of the reporting period		The end of the previous year		Y/Y % change	Reason of material changes
	Amount	% of total assets	Amount	% of total assets		
Cash and bank balances	8,727,972,410.77	18.23%	7,172,331,252.29	15.59%	2.64%	
Accounts receivable	6,002,283,912.67	12.53%	7,663,458,025.49	16.65%	-4.12%	
Inventories	6,408,328,579.03	13.38%	6,152,655,607.85	13.37%	0.01%	
Investment properties	653,194.76	0.00%	781,129.10	0.00%	0.00%	
Long-term equity investment	123,200,615.96	0.26%	155,008,795.68	0.34%	-0.08%	
Fixed assets	15,127,797,700.57	31.59%	13,595,191,232.40	29.55%	2.04%	
Construction in progress	2,440,814,349.98	5.10%	2,575,154,318.35	5.60%	-0.50%	
Right-of-use assets	1,291,173,420.55	2.70%	1,313,776,299.13	2.86%	-0.16%	
Short-term borrowings	5,799,403,308.56	12.11%	4,810,954,130.69	10.46%	1.65%	
Contract liabilities	172,934,050.12	0.36%	122,562,435.14	0.27%	0.09%	Primarily due to the increase in consideration received or receivable from customers recognized in accordance with the revenue standards during the reporting period.
Long-term borrowings	4,705,082,312.90	9.83%	5,289,187,891.33	11.49%	-1.66%	
Lease liabilities	1,388,052,599.32	2.90%	1,351,518,837.18	2.94%	-0.04%	



## 2. Main overseas assets

☒ Applicable ☐ N/A

In RMB

Assets	Method of acquisition	Amount	Location	Mode of operation	Controls for guaranteeing the security of assets	Income	Proportion of overseas assets to net assets	Whether it involves risk of material impairment loss
HongKong Dongshan	Established	25,917,138,328.68	Hong Kong, China	R&D and sales	Its manufacturing entity is located in China	488,079,869.70	49.10%	No
Multek Group	Established	5,334,328,434.99	Hong Kong, China	R&D and sales	Its manufacturing entity is located in China	75,399,472.67	13.16%	No

## 3. Assets and liabilities at fair value

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Gain or loss on changes in fair value	Aggregate changes in fair value recorded in equity	Impairment loss recognized in the current period	Amount acquired in the current period	Amount sold in the current period	Other changes	Closing balance
Financial assets								
Derivative financial assets	14,931,966.03	2,362,973.26	17,381,606.96		10,818,462.90	11,610,442.57		33,884,566.58
Investments in other equity instruments	63,212,376.92				2,023,546.31			65,235,923.23
Subtotal of financial assets	78,144,342.95	2,362,973.26	17,381,606.96		12,842,009.21	11,610,442.57		99,120,489.81
Total	78,144,342.95	2,362,973.26	17,381,606.96		12,842,009.21	11,610,442.57		99,120,489.81
Financial liabilities	82,922,390.17	-173,253.51	-3,171,788.42			7,693,348.24	-298,000.00	71,586,000.00

Other changes

N/A

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

☐ Yes ☒ No

## 4. Encumbrances on assets as of the end of the reporting period

In RMB

Item	Closing balance				Opening balance			
	Book balance	Carrying value	Type of restriction	Reason of restriction	Book balance	Carrying value	Type of restriction	Reason of restriction
Cash and bank balances	1,311,394,704.02	1,311,394,704.02	Pledge	Security deposit for notes, etc.	1,828,730,869.92	1,828,730,869.92	Pledge	Security deposit for notes, etc.
Accounts receivable	130,000,000.00	130,000,000.00	Pledge	Factoring	90,000,000.00	90,000,000.00	Pledge	Factoring

Item	Closing balance				Opening balance			
	Book balance	Carrying value	Type of restriction	Reason of restriction	Book balance	Carrying value	Type of restriction	Reason of restriction
Accounts receivable financing	51,194,067.17	51,194,067.17	Pledge	Pledge of notes	47,745,743.70	47,745,743.70	Pledge	Pledge of notes
Fixed assets					690,336,250.99	190,880,378.32	Mortgage	Security for loans, sales and leaseback
Right-of-use assets	1,623,850,391.92	1,291,173,420.55	Mortgage	Finance lease	1,582,499,405.56	1,258,999,636.74	Mortgage	Finance lease
Total	3,116,439,163.11	2,783,762,191.74			4,239,312,270.17	3,416,356,628.68		

## VI. Analysis of Investments

### 1. Overview

☒ Applicable ☐ N/A

Amount of investment in the reporting period (RMB)	Amount of investment in the previous period (RMB)	Y/Y % change
584,356,090.00	568,500,000.00	2.79%

### 2. Major equity investments acquired during the reporting period

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

### 4. Investment in financial assets

#### (1) Investment in securities

☐ Applicable ☒ N/A

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

#### (2) Investment in derivatives

☒ Applicable ☐ N/A

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

☒ Applicable ☐ N/A

In RMB 0'000

Type of investment in derivatives	Initial investment amount	Opening balance	Gain or loss on changes in fair value	Aggregate changes in fair value recorded in equity	Amount acquired in the current period	Amount sold in the current period	Closing balance	% of net assets at the end of the reporting period
Commodity futures	16,561.58	14,342.2	1,668.5	0	31,149.03	23,557.37	23,602.37	1.13%

Total	16,561.58	14,342.2	1,668.5	0	31,149.03	23,557.37	23,602.37	1.13%
Hedge accounting policies and principles adopted for the reporting period and significant changes in such policies and principles compared to the previous reporting period	None							
Actual profit or loss for the reporting period	The loss on commodity futures transactions recorded in profit or loss was RMB 16.685 million.							
Effect of hedging	We prohibit any risky speculative behavior for the purpose of locking in costs and avoiding and preventing the risks of exchange rate and commodity price fluctuations, in order to better avoid and prevent the risks associated with exchange rate and commodity price fluctuations and enhance our financial soundness.							
Source of funds for investment in derivatives	Self-owned funds							
Analysis of risks associated with the derivatives held in the current period (including without limitation market risk, liquidity risk, credit risk, operational risk and legal risk) and related risk control measures	Refer to the <i>Announcement of Commodity Futures Hedging Transactions</i> (2024-096) disclosed by us on December 7, 2024, for the relevant risk analysis and controls.							
Changes in the market price or fair value of the derivatives held in the current period (in the analysis of the fair value of derivatives, the specific approaches, assumptions and parameters used shall be disclosed)	We are mainly engaged in hedging transactions with mainstream products on major domestic futures markets. The derivatives traded by us have a transparent and active market, and their transaction prices and settlement prices can fully reflect their fair value.							
Litigations involved (if applicable)	N/A							
Disclosure date of the announcement of the board of directors approving the investment in derivatives (if any)	December 7, 2024							

## 2) Investment in derivatives for speculative purposes during the reporting period

☐ Applicable ☒ N/A

The Company did not have any derivative investment for speculative purposes during the reporting period.

## 5. Use of offering proceeds

☒ Applicable ☐ N/A

### (1) Summary of use of offering proceeds

☒ Applicable ☐ N/A

In RMB 0'000

Year of offering	Method of offering	Listing date of securities	Total offering proceeds	Net offering proceeds (1)	Total amount of offering proceeds used in the current period	Aggregate amount of offering proceeds already used (2)	Ratio of used offering proceeds at the end of the reporting period (3) = (2) / (1)	Total amount of offering proceeds the purpose of which was changed in the current period	Aggregate amount of offering proceeds the purpose of which has been changed	Percentage of offering proceeds the purpose of which has been changed	Total amount of unused offering proceeds	Purpose and whereabouts of unused offering proceeds	Total amount of offering proceeds that have remained unused for more than two years
2025	Private placement of shares	June 27, 2025	140,400	139,151.25	79,382.26	79,382.26	57.05%	0	0	0.00%	59,770.76	As of June 30, 2025, we have raised RMB 597.7076 million (including interest incomes net of handling fees), and the remaining raised funds are deposited in a special account opened by the Company for raised funds.	
Total	--	--	140,400	139,151.25	79,382.26	79,382.26	57.05%	0	0	0.00%	59,770.76	--	0
Description of the overall use of the offering proceeds													
With the approval of the CSRC under the <i>Reply on the Registration of Private Placement of Shares by Suzhou Dongshan Precision Manufacturing Co., Ltd.</i> (Zheng Jian Xu Ke [2025] No. 911), we privately offered 125,693,822.00 RMB-denominated ordinary A-shares at the offer price of RMB 11.17 per share to YUAN Yonggang and YUAN Yongfeng through the lead underwriter Guotai Haitong Securities Co., Ltd., and raised RMB 1,403,999,991.74 in total, and after deduction of the underwriter's fee and sponsor's fee (tax inclusive) totaling RMB 8,480,000.00 (excluding the prepayment of RMB 1,060,000.00), the balance of the offering													

proceeds, RMB 1,395,519,991.74, was remitted to our supervisory account of offering proceeds by Guotai Haitong Securities Co., Ltd. on June 11, 2025. After the deduction of the information disclosure expenses, accountant's fee, attorney's fee, issuance registration and other external costs directly relating to the offering of equity securities, totaling RMB 3,487,447.01 (tax exclusive), and after the deduction of the sponsor's fees of RMB 1,000,000.00 (tax exclusive) prepaid by the Company with its own funds, the amount of net offering proceeds was RMB 1,391,512,544.73. Pan-China Certified Public Accountants LLP verified the receipt of such offering proceeds, and issued the Capital Verification Report (PCCPA Capital Verification [2025] No. 5-2).

## (2) Committed investment projects using offering proceeds

☒ Applicable ☐ N/A

In RMB 0'000

Name of financing project	Listing date of securities	Committed investment project and use of over-raised funds	Nature of project	Whether the project has been changed or partially changed	Total committed investment amount	Total investment amount as adjusted (1)	Amount invested in the current period	Aggregate amount already invested as of the end of the reporting period (2)	Progress of investment as of the end of the reporting period (3) =(2)/(1)	Date when the project is ready for its intended use	Income earned in the current period	Cumulative benefits realized as of the end of the reporting period	Whether the project has produced the desired result	Whether there's any significant change in the feasibility of the project
Committed investment project														
Private placement of shares	June 27, 2025	Replenishment of working capital	Replenishment of working capital	No	140,400	140,400	79,382.26	79,382.26	56.54%		0	0	N/A	No
Subtotal				--	140,400	140,400	79,382.26	79,382.26	--	--			--	--
Use of over-raised funds														
N/A		N/A	N/A										N/A	No
Total				--	140,400	140,400	79,382.26	79,382.26	--	--	0	0	--	--
Failure to meet the scheduled progress and produce the desired result and reason thereof (please describe on a project-by-project basis, including the reason for selecting N/A in the column "whether the project has produced the desired result")		N/A												

Reason for significant change in the feasibility of the project	N/A
Amount and use of over-raised offering proceeds and progress of use thereof	N/A
Cases of changing the purpose of offering proceeds or misappropriating offering proceeds in violation of regulations	N/A
Change in the place of the committed investment project	N/A
Adjustment of the method of implementation of the committed investment project	N/A
Funds pre-invested in the investment project and replacement thereof	N/A
Temporary replenishment of working capital with the idle offering proceeds	N/A
Amount of surplus offering proceeds and reason thereof	N/A
Purpose and whereabouts of unused offering proceeds	As of June 30, 2025, we have raised RMB 597.7076 million (including interest incomes net of handling fees), and the remaining raised funds are deposited in a special account opened by the Company for raised funds.
Problems or any other issues in	None

the use and disclosure of offering proceeds	
---	--

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

☐ Applicable ☒ N/A

We made no change in the committed investment projects using offering proceeds.

## VII. Sale of Material Assets and Equities

### 1. Sale of material assets

☐ Applicable ☒ N/A

No material asset has been sold during the reporting period.

### 2. Sale of material equities

☐ Applicable ☒ N/A

## VIII. Analysis of Major Subsidiaries and Investee Companies

☒ Applicable ☐ N/A

Major subsidiaries and investee companies representing more than 10% of the net profit of the Company

In RMB

Company name	Type of company	Primary business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
HongKong Dongshan	Subsidiary	Design, R&D, sales and after-sales services in respect of electronic circuits; investment holding	HKD 10,000,000	25,917,138,328.68	10,247,326,797.90	16,561,145,566.61	616,159,456.38	488,079,869.70
Multek Group	Subsidiary	Design, R&D, sales and after-sales services in respect of electronic circuits; investment holding	USD 218248360.27	5,334,328,434.99	2,746,060,680.71	2,229,234,066.86	95,655,782.88	75,399,472.67

Subsidiaries acquired or disposed of during the reporting period

☐ Applicable ☒ N/A

Information about main subsidiaries and investee companies

None

## IX. Structured Entities Controlled by the Company

☐ Applicable ☒ N/A

## X. Risk Exposures to the Company and Countermeasures

### 1. Risk of concentration of customers

We have good customer resources. Our major customers are well-known domestic and international companies in the relevant industries that are of sound credit and have established stable cooperation relationships with us. However, our top 5

customers constitute a large proportion of our total sales revenue, which may further increase in the future. Any material adverse change in the business situation of such major customers could have an adverse effect on our business.

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

## 2. Risks brought by rapid technology upgrading of the industry

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

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

## 3. Risk of changes in the global trade environment

Our major customers are internationally well-known enterprises, and the incomes from overseas sales account for a high proportion. Though China has established good economic and trade cooperation relationships with major countries in the world, the increasingly fierce regional frictions in recent years may cause uncertainties in the applicable trade policies, which could affect our international trade.

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

## 4. Risk of market expansion

We are a strong R&D and manufacturing enterprise in the fields of electronic circuits, photoelectric display and precision manufacturing. Due to our stable product quality and efficient customer services, we have remarkable competencies, and are able to provide the downstream enterprises with “one-stop” products and services, and satisfy their demands for systemic manufacturing solutions. However, our downstream industries are characterized by rapid upgrading and rapid changes in the preferences of consumers, among others. If our major customers are at a disadvantage in the market, or we are unable to satisfy the demands of customers in a timely manner or fail to acquire new customers, the sales and margin rate of our products may decrease.

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

## 5. Environmental risk

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



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

#### 6. Foreign exchange risk

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

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

## **XI. Formulation and Implementation of Market Value Management System and Valuation Improvement Plan**

Whether the Company has formulated a market value management system?

☒ Yes ☐ No

Whether the Company has disclosed a valuation improvement plan?

☐ Yes ☒ No

For details, refer to the *Market Value Management System* disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn).

## **XII. Implementation of the Action Plan to Improve the Quality and Returns**

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

☒ Yes ☐ No

In the first half of 2025, we actively responded to the special campaign of “Enhancing Quality and Returns” by strengthening business management, improving core competitiveness, profitability, and comprehensive risk management capabilities, promoting sustainable development, and delivering returns to investors. Meanwhile, we adhere to the principle of investor orientation, and, through outstanding performance, sound governance, and high-quality information disclosure, we actively reward investors, enhance their sense of gain, and contribute to stabilizing the market and boosting confidence.

## Section IV Corporate Governance, Environment, and Society

### I. Changes in Directors, Supervisors and Senior Executives

☐ Applicable ☒ N/A

There has been no change in our directors, supervisors and senior executives during the reporting period, as detailed in the Annual Report 2024.

### II. Particulars of Profit Distribution and Transfer of Capital Reserve to the Share Capital for the Reporting Period

☐ Applicable ☒ N/A

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

### III. Share Incentive Plans, Employee Stock Ownership Plans or Other Employee Incentives

☐ Applicable ☒ N/A

The Company did not implement share incentive plans, employee stock ownership plans or other employee incentives during the reporting period.

### IV. Disclosure of Environment Information

Whether the Listed Company and its major subsidiaries are included in the list of enterprises to disclose environment information in accordance with law

☒ Yes ☐ No

Number of enterprises included in the list of enterprises to disclose environment information in accordance with law		10
No.	Enterprise name	Index for the query of environment information reports disclosed in accordance with law
1	Suzhou Dongshan Precision Manufacturing Co., Ltd.	Official website of the Department of Ecology and Environment of Jiangsu Province ( <a href="http://sthjt.jiangsu.gov.cn/">http://sthjt.jiangsu.gov.cn/</a> ) – “Environmental Protection Faces” Information Disclosure Platform – Lawful Enterprise Information Disclosure
2	Multek Technology (Zhuhai) Co., Ltd.	The Department of Ecology and Environment of Guangdong Province – Lawful Disclosure System of Enterprise Environment Information ( <a href="https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex">https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex</a> )
3	Multek Industries Limited	The Department of Ecology and Environment of Guangdong Province – Lawful Disclosure System of Enterprise Environment Information ( <a href="https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex">https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex</a> )
4	Multek China Limited	The Department of Ecology and Environment of Guangdong Province – Lawful Disclosure System of Enterprise Environment Information ( <a href="https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex">https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex</a> )
5	Yancheng Dongshan Precision Manufacturing Co., Ltd.	Official website of the Department of Ecology and Environment of Jiangsu Province ( <a href="http://sthjt.jiangsu.gov.cn/">http://sthjt.jiangsu.gov.cn/</a> ) – “Environmental Protection Faces” Information Disclosure Platform – Lawful Enterprise Information Disclosure
6	MFLEX Yancheng Co., Ltd.	Official website of the Department of Ecology and Environment of Jiangsu Province ( <a href="http://sthjt.jiangsu.gov.cn/">http://sthjt.jiangsu.gov.cn/</a> ) – “Environmental Protection Faces” Information Disclosure Platform – Lawful

		Enterprise Information Disclosure
7	MFLEX Suzhou Co., Ltd. (Guangxiang factory)	Official website of the Department of Ecology and Environment of Jiangsu Province ( <a href="http://sthjt.jiangsu.gov.cn/">http://sthjt.jiangsu.gov.cn/</a> ) – “Environmental Protection Faces” Information Disclosure Platform – Lawful Enterprise Information Disclosure
8	Suzhou JDI Electronics Inc.	Official website of the Department of Ecology and Environment of Jiangsu Province ( <a href="http://sthjt.jiangsu.gov.cn/">http://sthjt.jiangsu.gov.cn/</a> ) – “Environmental Protection Faces” Information Disclosure Platform – Lawful Enterprise Information Disclosure
9	Mutto Optronics Technology Co., Ltd.	Official website of the Department of Ecology and Environment of Jiangsu Province ( <a href="http://sthjt.jiangsu.gov.cn/">http://sthjt.jiangsu.gov.cn/</a> ) – “Environmental Protection Faces” Information Disclosure Platform – Lawful Enterprise Information Disclosure
10	Yancheng Dongchuang Precision Manufacturing Co., Ltd.	Official website of the Department of Ecology and Environment of Jiangsu Province ( <a href="http://sthjt.jiangsu.gov.cn/">http://sthjt.jiangsu.gov.cn/</a> ) – “Environmental Protection Faces” Information Disclosure Platform – Lawful Enterprise Information Disclosure

## V. Social Responsibility

Upholding the idea of “integration of enterprise development with social responsibility”, and under the mission of “building a better connected world for tomorrow”, we have continuously improved the governance system to include the concerns of stakeholders, the creation of social value, and the environment sustainable development into our core decision-making, so as to seriously fulfill the responsibilities as a corporate citizen and promote the economic and social high-quality development.

### Safeguarding the interests of suppliers and customers

On the basis of our business strategy, we strive to create a fair purchase environment, optimize the whole-life cycle supplier management, and implement risk identification, assessment, management, control, and monitoring at every stage of the supply chain, so as to continuously build a competitive, resilient, and sustainable supply chain to safeguard the efforts for “building a 100-billion advanced and intelligent manufacturing platform”. Meanwhile, we insist on the “customer-centric” approach to incorporate customers’ requirements and high-standard quality requirements into the whole process consisting of product designing, R&D, procurement, production, sales, and after-sales services. We endeavor to achieve quick response and effective handling of customers’ requests during the whole life cycle of products, hence providing customers with high-quality products and satisfactory services.

### Employee care and rights protection

We strictly abide by laws, regulations, and policies by establishing a comprehensive labor and human rights management system and providing diversified communication channels to ensure a harmonious and inclusive working environment for employees. Meanwhile, we make continuous efforts to improve our talent development system and enhance humanistic care to improve the sense of belonging and worthiness of employees. In addition, through projects intended for the care of disabled employees and integrated employment projects, we promote the integrated employment of disabled persons to expand their career paths and help them live on their own.

### Ecological and environmental protection

We have always incorporated the idea of green development into our core businesses to operate the business of core parts for new energy vehicles, so as to stably promote the green and high-quality development. Meanwhile, we incorporate the building of a beautiful environment and the requirements of ecological and environmental protection into the whole operating process, and achieve the coordinated development of economic benefits with environmental protection by introducing new materials, new

equipment, new processes, and new technologies, optimizing energy and resource management, and reducing resource consumption and waste at various operating stages.

**Rural revitalization and social contribution**

We firmly believe in “corporate development based on society, and give feedback to society with development achievements” and always integrate social responsibility into our development by: implementing local procurement and recruitment to develop regional economy; engaging public welfare education, voluntary services, and rural revitalization, where we took active measures to organize employees in public welfare activities to fulfill our commitments on giving back to society. In the field of student aid, we made precise efforts to implement assistance plans or set up student aid funds to help students in need, improve their living and learning environment, and light up the “light of dreams”.

## Section V Significant Matters

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

☒ Applicable ☐ N/A

Background of covenant	Covenantor	Type of covenant	Content of covenant	Time of covenant	Validity period of the covenant	Status of fulfillment
Covenant relating to initial public offering or subsequent fundraisings	YUAN Yongfeng and YUAN Yonggang	Covenants related to restrictions on the sale of shares	Each of the shareholders YUAN Yongfeng and YUAN Yonggang, as director and senior executive of the Company, covenants that so long as I remain a director and senior executive of the Company, I will not transfer more than 25% of the total shares held by me in the Company each year; and if I cease to be a director and senior executive of the Company, I will not transfer any shares held by me in the Company within half a year, and will not transfer more than 50% of the total shares held by me in the Company through the stock exchange within 12 months thereafter.	April 9, 2010	Permanently binding	As of the end of the reporting period, the covenants have complied with such covenants.
	YUAN Yongfeng, YUAN Yonggang and YUAN Fugen	Covenants related to horizontal competition, related-party transactions and occupation of funds	Covenants related to horizontal competition: Each of the shareholders YUAN Yonggang, YUAN Yongfeng, and YUAN Fugen covenants that I do not, directly or indirectly, engage in any business in competition with the business actually conducted by the Company.	April 9, 2010	Permanently binding	As of the end of the reporting period, the covenants have complied with such covenants.
	YUAN Yongfeng, YUAN Yonggang and YUAN Fugen	Covenants related to horizontal competition, related-party transactions and occupation of funds	Covenants related to horizontal competition: Each of the shareholders YUAN Yonggang, YUAN Yongfeng, and YUAN Fugen covenants that after the completion of this material asset restructuring, I will not, directly or through any affiliate, participate or engage in any business that substantially competes or might compete with the business of the Company; and if any product manufactured or business conducted by any entity wholly owned, controlled or invested by me in the future competes or might compete with the Company, at the request of the Company, I will transfer all of the investment or shares held by me in such entity, give priority to the Company or its wholly-owned subsidiary in the acquisition of such investment or shares subject to the applicable laws and regulations, and use my best efforts to procure that the transfer price will be determined on an arm's length basis; and if I or any of my affiliates breaches any covenant set forth above, I will indemnify the Company and other shareholders for the damages arising therefrom according to law.	June 11, 2018	Permanently binding	As of the end of the reporting period, the covenants have complied with such covenants.
	YUAN Yongfeng, YUAN Yonggang and YUAN Fugen	Covenants related to horizontal competition, related-party transactions and occupation of funds	Covenants related to the regulation and reduction of related-party transactions: Each of the shareholders YUAN Yonggang, YUAN Yongfeng, and YUAN Fugen covenants that (i) I and my affiliates will avoid or reduce related-party transactions with the Company to the maximum extent practicable; (ii) with respect to the related-party transactions that are unavoidable or necessary, I will abide by the principle of justice, fairness and openness, enter into the relevant agreements according to law, perform the legal procedures pursuant to the applicable laws, regulations, normative documents, the Articles of Association and other relevant provisions of the Company, ensure that such related-party transactions are fair, comply with the regulations, and will not damage the legitimate rights and interests of the Company and other shareholders, and make the relevant information disclosures promptly in accordance with the requirements of the applicable laws, regulations and normative documents; and (iii) I will exercise the shareholder rights in strict accordance with the Company Law and other applicable laws and regulations, and the relevant provisions of the Articles of Association of the Company, and abstain from the voting on the related-party transactions involving me and other entities controlled by me at the general meeting of the	June 11, 2018	Permanently binding	As of the end of the reporting period, the covenants have complied with such covenants.

Background of covenant	Covenantor	Type of covenant	Content of covenant	Time of covenant	Validity period of the covenant	Status of fulfillment
			Company in accordance with the relevant provisions.			
	YUAN Yongfeng and YUAN Yonggang	Covenant not to sell the Company's shares during a specific period	I. Within six months from the base date for pricing (March 13, 2024) for the private placement of shares, I and the affiliates under my control have not sold the shares of DSBJ; II. From the base date for pricing to the expiration of eighteen months after the private placement of DSBJ is completed, I and the affiliates under my control will neither sell DSBJ's shares in any form nor have any plan of selling DSBJ's shares; and III. My covenant is an irrevocable covenant, which shall be binding on me and the affiliates under my control from the execution date of this covenant, and the transferee under the share transfer described above shall inherit this covenant; if I and the affiliates under my control sell shares in violation of this covenant, all the proceeds from selling such shares shall be owned by DSBJ and I shall be fully responsible for all the legal liabilities arising therefrom.	December 18, 2024	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
	YUAN Yongfeng and YUAN Yonggang	Commitment on lock-up of shares	I will not transfer, sell, or otherwise dispose of the shares of DSBJ I purchased this time within 36 months from the end date (namely, the first date when the new shares are listed) of the private placement of shares. After the private placement is completed, additional shares arising from the bonus shares, shares transferred from reserves, or otherwise shall also be subject to the foregoing provisions on the lockup period.	June 10, 2025	June 27, 2028	As of the end of the reporting period, the covenantors have complied with such covenants.
Other covenants	YUAN Yongfeng, YUAN Yonggang, ZHAO Xiutian, SHAN Jianbin, WANG Xu, MAO Xiaoyan and MA Liqiang	Other covenants	Covenant regarding the remedial measures against dilution of current earnings caused by the private placement: Each of the directors and senior executives of the Company covenants that: (i) I will not transfer benefits to any other entity or individual without compensation or on unfair terms, or otherwise damage the interests of the Company; (ii) I will exercise self-discipline in consumption in performing my duties; (iii) I will not use the assets of the Company to engage in any investment or consumption activities not in connection with my duties; (iv) I will link the compensation system adopted by the Board of Directors or the Compensation Committee with the implementation of the Company's remedial measures against dilution of current earnings; (v) if the Company implements any share incentive plan in the future, I will link the vesting conditions under such share incentive plan with the implementation of the Company's remedial measures against dilution of current earnings; and (vi) I will seriously implement the Company's remedial measures against dilution of current earnings, and abide by the relevant covenants made by me; and if I breach any covenant set forth above, I will indemnify the Company or the investors for the losses arising therefrom according to law, and accept the punishments that the competent regulatory authorities may impose on me.	October 10, 2019	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
Other covenants	YUAN Fugen, YUAN Yongfeng and YUAN Yonggang	Other covenants	Covenant regarding the remedial measures against dilution of current earnings caused by the private placement: Each of the controlling shareholders and actual controllers of the Company covenants that I will not interfere with the management and operation of the Company beyond my powers, or infringe on the interests of the Company; and as the person responsible for the serious implementation of the remedial measures against dilution of current earnings, if I breach or refuse to fulfill any covenant set forth above, I will assume the relevant liabilities according to law.	October 17, 2019	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
Other covenants	YUAN Fugen, YUAN Yongfeng and YUAN Yonggang	Other covenants	To ensure the effective implementation of the remedial measures against dilution of earnings to be taken by the Company, each of the controlling shareholders and actual controllers of the Company covenants that: "(i) I will not interfere with the management and operation of the Company beyond my powers, or infringe on the interests of the Company; (ii) from the date of this Letter of Undertaking till the completion of this offering, in case of any new regulatory provisions promulgated by the CSRC or the SZSE regarding the remedial measures against dilution of earnings and related covenants, as a result of which the covenants set forth above no longer comply with such new provisions, I will make additional covenants in accordance with such new provisions; and (iii) I will seriously implement the remedial measures against dilution of earnings adopted by the Company and fulfill my covenants in connection therewith, and if I breach or refuse to fulfill any covenant set forth above, accept the penalties or other regulatory actions that may be imposed or taken by the CSRC, the SZSE or other	March 12, 2024	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.

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

## II. Occupation by the Controlling Shareholders and their Affiliates of the Funds of the Listed Company for Non-operating Purpose

☐ Applicable ☒ N/A

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

## III. External Guarantees in Violation of the Regulations

☐ Applicable ☒ N/A

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

## IV. Engagement and Termination of Engagement of Accounting Firm

Has the semi-annual financial report been audited?

☐ Yes ☒ No

The semi-annual report has not been audited.

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

## **VII. Matters Relating to Bankruptcy and Reorganization**

☐ Applicable ☒ N/A

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

## **VIII. Litigation**

Material litigation and arbitration proceedings

☐ Applicable ☒ N/A

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

Other litigation proceedings

☐ Applicable ☒ N/A

## **IX. Punishments and Rectifications**

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

## **XI. Material Related-party Transactions**

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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



**3. Related-party transactions involving joint external investment**

☐ Applicable ☒ N/A

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

**4. Debts owed by and to related parties**

☐ Applicable ☒ N/A

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

**5. Dealings with affiliated financial companies**

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

**7. Other material related-party transactions**

☐ Applicable ☒ N/A

**XII. Particulars and Performance of Material Contracts****1. Trusteeship, contracting and leases****(1) Trusteeship**

☐ Applicable ☒ N/A

No such case during the reporting period.

**(2) Contracting**

☐ Applicable ☒ N/A

No such case during the reporting period.

**(3) Leases**

☐ Applicable ☒ N/A

No such case during the reporting period.

**2. Material guarantees**

☒ Applicable ☐ N/A

In RMB 0'000

External guarantees provided by the Company and its subsidiaries (excluding those provided for the subsidiaries)										
Obligor	Disclosure date of announcement of the maximum amount guaranteed	Maximum amount guaranteed	Effective date of guarantee	Actual amount guaranteed	Type of guarantee	Collateral (if applicable)	Counter guarantee (if applicable)	Term of guarantee	Whether or not expired	Whether or not provided for a related party
Suzhou Toprun Electric Equipment Co., Ltd.		3,000		2,900.80	Joint and several liability guarantee					
Shanghai Fu Shan Precision Manufacturing Co., Ltd.		3,000		0						
Total amount of external guarantee approved during the reporting period (A1)		6,000		Total amount of external guarantee actually provided during the reporting period (A2)		3,800				
Total amount of external guarantee approved as at the end of the reporting period (A3)		6,000		Total amount of external guarantee actually provided as at the end of the reporting period (A4)		2,900.80				
Guarantees provided by the Company for its subsidiaries										
Obligor	Disclosure date of announcement of the maximum amount guaranteed	Maximum amount guaranteed	Effective date of guarantee	Actual amount guaranteed	Type of guarantee	Collateral (if applicable)	Counter guarantee (if applicable)	Term of guarantee	Whether or not expired	Whether or not provided for a related party
Dragon Electronix Holdings Inc. and its subsidiaries		200,000		158,700						
Hong Kong Dongshan Holding Limited and its subsidiaries		400,000		9,800						
Multek Group (Hong Kong) Limited and its subsidiaries		150,000		67,865.58						
Chaowei Microelectronics (Yancheng) Co., Ltd.		50,000		20,000						
Suzhou JDI Electronics Inc.		20,000		14,900						
Mutto Optronics Technology Co., Ltd.		50,000		6,144.27						
Suzhou RF Top Electronic Communication Co., Ltd.		5,000		1,775.03						
Suzhou Chengjia Precision Manufacturing Co., Ltd.		5,000		1,000						
Suzhou Yongchuang Communication Technology Co., Ltd.		80,000		4,000						
Yancheng Dongchuang Precision Manufacturing Co., Ltd.		120,000		82,046.95						
Yancheng Dongshan Precision Manufacturing Co., Ltd.		100,000		66,950						
Yancheng Dongshan Communication Technology Co., Ltd.		3,000								
Suzhou Dongyue New Energy Technology Co., Ltd.		20,000								
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (B1)		1,203,000		Total amount of guarantee actually provided for subsidiaries during the reporting period (B2)		599,440.36				
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)		1,203,000		Total amount of guarantee actually provided for subsidiaries as at the end of the reporting period (B4)		433,181.83				

Guarantees provided by subsidiaries for each other										
Obligor	Disclosure date of announcement of the maximum amount guaranteed	Maximum amount guaranteed	Effective date of guarantee	Actual amount guaranteed	Type of guarantee	Collateral (if applicable)	Counter guarantee (if applicable)	Term of guarantee	Whether or not expired	Whether or not provided for a related party
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (C1)			0	Total amount of guarantee actually provided for subsidiaries during the reporting period (C2)		0				
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (C3)			0	Total amount of guarantee actually provided for subsidiaries as at the end of the reporting period (C4)		0				
Total amount of guarantee provided by the Company										
Total amount of guarantee approved during the reporting period (A1+B1+C1)			1,209,000	Total amount of guarantee actually provided during the reporting period (A2+B2+C2)		603,240.36				
Total amount of guarantee approved as at the end of the reporting period (A3+B3+C3)			1,209,000	Total amount of guarantee actually provided as at the end of the reporting period (A4+B4+C4)		436,082.63				
Ratio of the total amount of guarantee actually provided (A4+B4+C4) to the net assets of the Company				20.90%						
Incl.:										
Outstanding guarantees provided for shareholders, actual controllers and their affiliates (D)				0						
Outstanding guarantees directly or indirectly provided for obligors whose debt-to-assets ratio exceeds 70% (E)				159,042.02						
Portion of the total amount of guarantee in excess of 50% of the net assets (F)				0						
Total (D+E+F)				159,042.02						

### 3. Entrusted wealth management

☒ Applicable ☐ N/A

In RMB 0'000

Type	Source of funds	Total amount	Outstanding amount	Overdue amount	Impairment loss recognized for overdue wealth management products
Bank wealth management product	Self-owned funds	277,306.88	75,481.02	0	0
Total		277,306.88	75,481.02	0	0

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

### 4. Other material contracts

☐ Applicable ☒ N/A

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

### **XIII. Other Significant Matters**

☐ Applicable ☒ N/A

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

### **XIV. Significant Matters of Subsidiaries**

☐ Applicable ☒ N/A

## Section VI Changes in Shares and Shareholders

### I. Changes in Shares

#### 1. Changes in shares

In Shares

	Before the change		Change (+/-)					After the change	
	Number	%	New shares	Bonus shares	Capitalization of capital reserves	Others	Subtotal	Number	%
I. Non-tradable shares	319,591,987	18.73%	125,693,822				125,693,822	445,285,809	24.31%
1. Shares held by the State									
2. Shares held by State-owned corporations									
3. Shares held by other domestic investors	319,591,987	18.73%	125,693,822				125,693,822	445,285,809	24.31%
Incl.: Shares held by domestic non-State-owned corporations									
Shares held by domestic natural persons	319,591,987	18.73%	125,693,822				125,693,822	445,285,809	24.31%
4. Shares held by foreign investors									
Incl.: Shares held by foreign corporations									
Shares held by foreign natural persons									
II. Tradable shares	1,386,321,723	81.27%						1,386,321,723	75.69%
1. RMB-denominated ordinary shares	1,386,321,723	81.27%						1,386,321,723	75.69%
2. Foreign currency-denominated shares listed domestically									
3. Foreign currency-denominated shares listed overseas									
4. Others									
III. Total shares	1,705,913,710	100.00%	125,693,822				125,693,822	1,831,607,532	100.00%

Reasons for changes in shares

☒ Applicable ☐ N/A

With the approval of Shenzhen Stock Exchange and CSRC, the 125,693,822 RMB-denominated ordinary shares issued by the Company at the issuance price of RMB 11.17 per share were listed on Shenzhen Stock Exchange on June 27, 2025; after the issuance, the total shares of the Company increased from 1,705,913,710 shares to 1,831,607,532 shares.

## Approval for changes in shares

☒ Applicable ☐ N/A

On March 10, 2025, the Company received the *Notification Letter of the Opinions of the Review Center on the Private Placement of Shares by Suzhou Dongshan Precision Manufacturing Co., Ltd.* issued by the Listing Review Center of Shenzhen Stock Exchange, stating that the listing review institution of Shenzhen Stock Exchange reviewed the application documents for private placement of shares, and concluded that the Company met the issuance conditions, listing conditions, and information disclosure requirements. On April 28, 2025, the Company received the *Reply on the Registration of Private Placement of Shares by Suzhou Dongshan Precision Manufacturing Co., Ltd.* (Zheng Jian Xu Ke (2025) No. 911) (effective date of registration: April 23, 2025), which approved the request for registration of private placement of shares by the Company.

## Transfer of shares in relation to the changes

☒ Applicable ☐ N/A

We have completed the registration and custody formalities for the newly issued shares with China Securities Depository and Clearing Co., Ltd. Shenzhen Branch on June 18, 2025, and China Securities Depository and Clearing Co., Ltd. Shenzhen Branch has issued a certificate of securities registration. The nature of the newly issued shares is restricted shares, with a lock-up period of 36 months from the listing date of the shares under the private placement for the 2 persons purchasing such shares.

## Progress of share repurchases

☒ Applicable ☐ N/A

On April 9, 2025, we held the 18<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors, at which the *Proposal on Repurchase of the Company's Shares* was deliberated and approved, agreeing to use raised funds or other lawful funds to repurchase the RMB-denominated ordinary shares (A-shares) issued by the Company through the Shenzhen Stock Exchange by aggregate auction for the purpose of employee stock ownership plans or equity incentives. The total repurchase funds shall range from RMB 100 million (inclusive) to RMB 200 million (inclusive), and the repurchase price shall not exceed RMB 48.78 per share. As of May 6, 2025, this share repurchase plan has been fully implemented, under which we have repurchased a total of 4.2022 million shares of the Company, accounting for 0.2463% of the Company's total share capital, where the highest trading price was RMB 25.95 per share, the lowest trading price was RMB 23.27 per share, and the total transaction amount was RMB 100.0844 million (excluding transaction fees). The above-mentioned share repurchase complies with the provisions of laws and regulations and our share repurchase plan.

## Progress of sale or repurchase of shares by aggregate auction

☐ Applicable ☒ N/A

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

☒ Applicable ☐ N/A

During the reporting period, (1) the Company repurchased 4,202,200 shares. Based on the net assets as of the end of the first half of 2025, the net assets per share increased by RMB 0.03 per share, while the effect on the basic earnings per share and diluted earnings per share is insignificant; (2) the Company issued 125,693,822 new shares, and based on the net assets as of the end of the first half of 2025, the net assets per share decreased by RMB 0.84 per share, which resulted in a decrease of RMB 0.03 per share for the basic earnings per share and diluted earnings per share.

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

☐ Applicable ☒ N/A

## 2. Changes in non-tradable shares

☒ Applicable ☐ N/A

In Shares

Name of shareholder	Opening non-tradable shares	Non-tradable shares released in the current period	Increase in non-tradable shares in the current period	Closing non-tradable shares	Reason of restriction	Date of release
YUAN Yonggang	151,669,647	0	100,555,058	252,224,705	Private placement of 100,555,058 shares	2028/6/27
YUAN Yongfeng	166,791,115	0	25,138,764	191,929,879	Private placement of 25,138,764 shares	2028/6/27
Total	318,460,762	0	125,693,822	444,154,584	--	--

## II. Offering and Listing of Securities

☒ Applicable ☐ N/A

Name of stocks and derivative securities therefrom	Date of issuance	Issuance price (or interest rate)	Number of shares	Listing date	Number of shares approved for listing	End date of transaction	Index of disclosure	Disclosure date
Stocks								
DSBJ	2025/6/10	11.17 RMB/share	125,693,822	2025/6/27	125,693,822		www.cninfo.com.cn Announcement on the Listing of A-shares Under Private Placement	2025/6/25

Issuance of securities during the reporting period

With the approval of Shenzhen Stock Exchange and CSRC, the 125,693,822 RMB-denominated ordinary shares issued by the Company at the issuance price of RMB 11.17 per share were listed on Shenzhen Stock Exchange on June 27, 2025; after the issuance, the total shares of the Company increased from 1,705,913,710 shares to 1,831,607,532 shares.

## III. Number of shareholders and shareholding structure of the Company

In Shares

Total number of ordinary shareholders at the end of the reporting period		66,530		Total number of preferred shareholders whose voting rights had been restituted at the end of the reporting period (if any) (Note 8)			0	
Shareholding by shareholders holding more than 5% of the shares or top 10 shareholders (excluding the shares lent via refinancing)								
Name of shareholder	Status of shareholder	Shareholding percentage	No. of shares held at the end of the reporting period	Changes in shareholding during the reporting period	No. of non-tradable shares held	No. of tradable shares held	Pledge, attachment or freeze	
							Status of shares	Number
YUAN Yonggang	Domestic natural person	16.53%	302,781,254	100,555,058	252,224,705	50,556,549	Pledge	134,708,000
YUAN Yongfeng	Domestic natural person	13.51%	247,526,917	25,138,764	191,929,879	55,597,038	Pledge	101,653,800
Hong Kong Securities Clearing Company Limited	Foreign corporation	3.46%	63,463,125	22,612,983	0	63,463,125	N/A	0
YUAN Fugen	Domestic	3.21%	58,796,052	0	0	58,796,052	N/A	0

	natural person							
China Life Insurance Company – Traditional – General Insurance Product – 005L – CT001 Shanghai	Others	0.89%	16,303,640	5,957,500	0	16,303,640	N/A	0
Agricultural Bank of China Limited – JPMorgan Emerging Power Hybrid Securities Investment Fund	Others	0.68%	12,468,362	2,396,417	0	12,468,362	N/A	0
Reform (Shanghai) Private Fund Management Co., Ltd. – Reform Red Coast No. 3 Private Securities Investment Fund	Others	0.65%	11,994,300	5,063,200	0	11,994,300	N/A	0
Zhangjiagang Industrial Capital Investment Co., Ltd.	State-owned corporation	0.60%	10,998,700	0	0	10,998,700	N/A	0
Reform (Shanghai) Private Fund Management Co., Ltd. – Reform Dual Vector Foil Private Securities Investment Fund	Others	0.59%	10,762,629	3,126,600	0	10,762,629	N/A	0
LI Jinlan	Domestic natural person	0.50%	9,144,000	3,904,000	0	9,144,000	N/A	0
Strategic investors or general corporations becoming top 10 shareholders as a result of rights issue (if any) (Note 3)	N/A							
Affiliates or concert parties among the shareholders listed above	Among the shareholders listed above, YUAN Yonggang and YUAN Yongfeng are sons of YUAN Fugen, and YUAN Yongfeng is the elder brother of YUAN Yonggang. YUAN Fugen, YUAN Yongfeng and YUAN Yonggang are our actual controllers. We are not aware whether there are affiliates or concert parties within the meaning of the <i>Administrative Measures for the Takeover of Listed Companies</i> among other shareholders listed above.							
Delegation or waiver of voting rights or ownership of voting rights by or to the shareholders listed above	N/A							
Special explanation about any dedicated account for repurchase opened by any top 10 shareholder (if any) (Note 11)	N/A							
Shareholding by top 10 holders of tradable shares (excluding the shares lent via refinancing or under executive lock-up)								
Name of shareholder	No. of tradable shares held at the end of the reporting period					Type		
						Type	Number	



Hong Kong Securities Clearing Company Limited	63,463,125	RMB-denominated ordinary share	63,463,125
YUAN Fugen	58,796,052	RMB-denominated ordinary share	58,796,052
YUAN Yongfeng	55,597,038	RMB-denominated ordinary share	55,597,038
YUAN Yonggang	50,556,549	RMB-denominated ordinary share	50,556,549
China Life Insurance Company – Traditional – General Insurance Product – 005L – CT001 Shanghai	16,303,640	RMB-denominated ordinary share	16,303,640
Agricultural Bank of China Limited – JPMorgan Emerging Power Hybrid Securities Investment Fund	12,468,362	RMB-denominated ordinary share	12,468,362
Reform (Shanghai) Private Fund Management Co., Ltd. – Reform Red Coast No. 3 Private Securities Investment Fund	11,994,300	RMB-denominated ordinary share	11,994,300
Zhangjiagang Industrial Capital Investment Co., Ltd.	10,998,700	RMB-denominated ordinary share	10,998,700
Reform (Shanghai) Private Fund Management Co., Ltd. – Reform Dual Vector Foil Private Securities Investment Fund	10,762,629	RMB-denominated ordinary share	10,762,629
LI Jinlan	9,144,000	RMB-denominated ordinary share	9,144,000
Affiliates or concert parties among the top 10 holders of tradable shares, and among the top 10 holders of tradable shares and top 10 shareholders	N/A		
Securities margin trading conducted by top 10 ordinary shareholders (if any) (Note 4)	N/A		

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Whether the top 10 ordinary shareholders or top 10 holders of tradable ordinary shares have conducted any transaction under the

repurchase agreement during the reporting period?

☐ Yes ☒ No

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

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

☒ Applicable ☐ N/A

Name	Title	Status	Opening balance of shares held	No. of additional shares acquired in the current period	No. of shares disposed of in the current period	Closing balance of shares held	Number of restricted shares granted at the beginning of the reporting period	Number of restricted shares granted during the reporting period	Number of restricted shares granted at the end of the period
YUAN Yonggang	Chairman	Current	202,226,196	100,555,058	0	302,781,254	0	0	0
YUAN Yongfeng	Director & General Manager	Current	222,388,153	25,138,764	0	247,526,917	0	0	0
Total	--	--	424,614,349	125,693,822	0	550,308,171	0	0	0

#### V. Changes in Controlling Shareholders and Actual Controllers

Change in the controlling shareholders during the reporting period

☐ Applicable ☒ N/A

There has been no change in our controlling shareholders during the reporting period.

Change in the actual controllers during the reporting period

☐ Applicable ☒ N/A

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

#### VI. Preferred Shares

☐ Applicable ☒ N/A

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

## Section VII Bonds

☐ Applicable ☒ N/A

## Section VIII Financial Report

### I. Auditor's Report

Has the semi-annual report been audited?

☐ Yes ☒ No

This semi-annual financial report has not been audited.

### II. Financial statements

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

#### 1. Consolidated balance sheet

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

In RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	8,727,972,410.77	7,172,331,252.29
Settlement deposit		
Loans to banks and other financial institutions		
Financial assets held for trading	99,120,489.81	78,144,342.95
Derivative financial assets		
Notes receivable	17,976,222.55	9,037,098.60
Accounts receivable	6,002,283,912.67	7,663,458,025.49
Accounts receivable financing	252,886,223.60	252,612,009.41
Advances to suppliers	200,720,870.22	93,875,465.69
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	225,193,916.90	45,836,662.39
Incl.: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventories	6,408,328,579.03	6,152,655,607.85
Incl.: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,263,371,376.18	1,209,842,283.99
Total current assets	23,197,854,001.73	22,677,792,748.66

Non-current assets:		
Loans and advances to clients		
Debt investments		
Other debt investments		
Long-term receivable	30,000,000.00	30,000,000.00
Long-term equity investment	123,200,615.96	155,008,795.68
Investments in other equity instruments	333,657,110.00	333,657,110.00
Other non-current financial assets		
Investment properties	653,194.76	781,129.10
Fixed assets	15,127,797,700.57	13,595,191,232.40
Construction in progress	2,440,814,349.98	2,575,154,318.35
Productive biological assets		
Oil and gas assets		
Right-of-use assets	1,291,173,420.55	1,313,776,299.13
Intangible assets	933,681,354.00	962,594,133.34
Incl.: Data resources		
Development expenses		
Incl.: Data resources		
Goodwill	2,117,430,282.36	2,119,612,220.47
Long-term deferred expenses	898,166,932.32	903,599,713.89
Deferred tax assets	831,838,960.07	834,450,612.08
Other non-current assets	560,438,857.08	512,554,751.37
Total non-current assets	24,688,852,777.65	23,336,380,315.81
Total assets	47,886,706,779.38	46,014,173,064.47
Current liabilities:		
Short-term borrowings	5,799,403,308.56	4,810,954,130.69
Borrowings from Central Bank		
Borrowings from banks and other financial institutions		
Financial liabilities held for trading	71,586,000.00	82,922,390.17
Derivative financial liabilities		
Notes payable	934,630,146.08	935,581,272.50
Accounts payable	9,082,352,248.71	9,659,268,990.43
Advances from clients		
Contract liabilities	172,934,050.12	122,562,435.14
Financial assets sold under repurchase agreements		
Deposits from clients and other banks		
Funds received as stock broker		
Funds received as underwriter of securities		
Employee benefits payable	446,039,909.90	597,573,087.02
Taxes payable	319,446,877.47	395,772,127.76
Other payables	96,940,026.12	94,163,223.90
Incl.: Interest payable		

Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	2,493,252,418.30	2,458,987,301.36
Other current liabilities	3,133,052.29	5,190,838.21
Total current liabilities	19,419,718,037.55	19,162,975,797.18
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	4,705,082,312.90	5,289,187,891.33
Bonds payable		
Incl.: Preferred shares		
Perpetual bonds		
Lease liabilities	1,388,052,599.32	1,351,518,837.18
Long-term payables	27,754,051.05	49,434,786.31
Long-term employee benefits payable		
Provisions	39,478,887.17	58,258,872.92
Deferred income	749,040,476.71	585,933,889.89
Deferred tax liabilities	627,588,885.99	630,759,756.43
Other non-current liabilities		
Total non-current liabilities	7,536,997,213.14	7,965,094,034.06
Total liabilities	26,956,715,250.69	27,128,069,831.24
Owners' equity:		
Share capital	1,831,607,532.00	1,705,913,710.00
Other equity instruments		
Incl.: Preferred shares		
Perpetual bonds		
Capital reserve	9,258,103,158.56	7,992,284,435.83
Less: Treasury shares	175,076,133.79	74,991,696.79
Other comprehensive income	-204,407,027.20	-317,104,374.08
Special reserve		
Surplus reserve	232,241,216.54	232,241,216.54
General risk reserve		
Retained profits	9,927,254,777.86	9,288,043,977.88
Total owners' equity attributable to the parent company	20,869,723,523.97	18,826,387,269.38
Minority interests	60,268,004.72	59,715,963.85
Total owners' equity	20,929,991,528.69	18,886,103,233.23
Total liabilities and owners' equity	47,886,706,779.38	46,014,173,064.47

Legal Representative: YUAN Yonggang

CFO: WANG Xu

Accounting Supervisor: ZHU Deguang

## 2. Standalone balance sheet

In RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	2,041,761,925.92	1,090,000,348.49

Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	2,991,624,408.85	3,143,492,614.37
Accounts receivable financing	62,860,183.16	18,920,385.63
Advances to suppliers	27,809,172.03	39,423,778.51
Other receivables	7,376,316,038.08	5,969,486,558.66
Incl.: Interest receivable		
Dividends receivable	1,289,047,893.28	1,495,758,008.53
Inventories	908,774,910.11	986,847,112.47
Incl.: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	68,795,846.42	71,972,689.92
Total current assets	13,477,942,484.57	11,320,143,488.05
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivable	30,000,000.00	30,000,000.00
Long-term equity investment	9,624,411,643.11	9,627,857,599.31
Investments in other equity instruments	221,322,110.00	221,322,110.00
Other non-current financial assets		
Investment properties		
Fixed assets	756,016,519.41	775,223,315.27
Construction in progress	110,915,088.98	148,492,748.83
Productive biological assets		
Oil and gas assets		
Right-of-use assets	1,630,750.34	2,609,200.64
Intangible assets	60,618,060.10	61,524,955.69
Incl.: Data resources		
Development expenses		
Incl.: Data resources		
Goodwill		
Long-term deferred expenses	107,041,930.17	89,330,126.49
Deferred tax assets	80,524,043.69	36,909,520.17
Other non-current assets	66,650,787.87	70,661,066.13
Total non-current assets	11,059,130,933.67	11,063,930,642.53
Total assets	24,537,073,418.24	22,384,074,130.58
Current liabilities:		
Short-term borrowings	1,816,012,272.22	2,294,208,162.79
Financial liabilities held for trading		

Derivative financial liabilities		
Notes payable	1,014,440,747.47	585,570,169.87
Accounts payable	1,773,107,322.29	1,389,942,826.35
Advances from clients		
Contract liabilities	26,530,276.72	18,959,880.87
Employee benefits payable	23,153,905.12	30,758,082.10
Taxes payable	2,511,618.64	3,170,402.36
Other payables	6,313,220,120.63	5,101,960,753.88
Incl.: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	985,058,664.84	799,561,489.98
Other current liabilities	1,046,506.05	1,508,828.34
Total current liabilities	11,955,081,433.98	10,225,640,596.54
Non-current liabilities:		
Long-term borrowings	1,668,885,157.50	2,251,616,980.54
Bonds payable		
Incl.: Preferred shares		
Perpetual bonds		
Lease liabilities		861,053.29
Long-term payables		
Long-term employee benefits payable		
Provisions	1,103,679.33	1,125,097.32
Deferred income	15,008,333.61	16,473,333.57
Deferred tax liabilities	539,691.80	534,830.01
Other non-current liabilities		
Total non-current liabilities	1,685,536,862.24	2,270,611,294.73
Total liabilities	13,640,618,296.22	12,496,251,891.27
Owners' equity:		
Share capital	1,831,607,532.00	1,705,913,710.00
Other equity instruments		
Incl.: Preferred shares		
Perpetual bonds		
Capital reserve	9,156,573,425.73	7,890,754,703.00
Less: Treasury shares	175,076,133.79	74,991,696.79
Other comprehensive income		
Special reserve		
Surplus reserve	232,241,216.54	232,241,216.54
Retained profits	-148,890,918.46	133,904,306.56
Total owners' equity	10,896,455,122.02	9,887,822,239.31
Total liabilities and owners' equity	24,537,073,418.24	22,384,074,130.58

### 3. Consolidated income statement

In RMB

Item	First half of 2025	First half of 2024
------	--------------------	--------------------



I. Total operating revenue	16,955,163,898.89	16,628,586,195.56
Incl.: Operating revenue	16,955,163,898.89	16,628,586,195.56
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	16,030,744,161.86	15,860,085,715.70
Incl.: Operating cost	14,650,499,235.90	14,455,695,057.51
Interest expenses		
Fee and commission expenses		
Surrenders		
Net payments for insurance claims		
Net insurance claim reserves		
Policyholder dividends		
Reinsurance expenses		
Taxes and surcharges	63,725,956.00	97,314,539.31
Selling expenses	157,942,605.07	198,461,411.65
Administrative expenses	547,561,939.49	513,932,018.38
R&D expenses	581,467,466.93	622,223,608.99
Financial expenses	29,546,958.47	-27,540,920.14
Incl.: Interest expenses	198,585,725.04	229,752,660.54
Interest income	113,967,483.54	141,164,259.09
Add: Other income	141,318,212.63	176,411,848.89
Investment income (loss expressed with “-”)	-6,702,003.08	-48,423,970.21
Incl.: Investment income from associates and joint ventures	-4,073,896.56	-4,311,831.51
Gain on derecognition of financial assets at amortized cost		
Exchange gain (loss expressed with “-”)		
Net exposure hedging income (loss expressed with “-”)		
Gain on changes in fair value (loss expressed with “-”)	2,536,226.77	-15,065,635.92
Credit impairment loss (loss expressed with “-”)	3,764,627.53	-57,244,335.30
Impairment loss on assets (loss expressed with “-”)	-89,174,069.11	-105,585,722.55
Gain on disposal of assets (loss expressed with “-”)	-14,963,024.24	-34,905,446.22
III. Operating profit (loss expressed with “-”)	961,199,707.53	683,687,218.55
Add: Non-operating revenue	5,619,440.36	4,983,059.69
Less: Non-operating expenses	6,326,490.28	5,571,548.85
IV. Profit before tax (loss expressed with “-”)	960,492,657.61	683,098,729.39
Less: Income tax expenses	201,934,636.13	124,174,716.66
V. Net profit (loss expressed with “-”)	758,558,021.48	558,924,012.73
(I) Classified by continuity of operation		
1. Net profit from continuing operation (loss expressed with “-”)	758,558,021.48	558,924,012.73
2. Net profit from discontinued operation (loss expressed with “-”)		
(II) Classified by attribution		
1. Net profit attributable to owners of the parent company (net loss expressed with “-”)	758,005,980.61	560,600,936.27
2. Profit attributable to minority interests (net loss expressed with “-”)	552,040.87	-1,676,923.54
VI. Other comprehensive income, net	112,697,346.88	-82,463,528.41

Other comprehensive income attributable to owners of the parent company, net after tax	112,697,346.88	-82,463,528.41
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes arising from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of the corporation's credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss	112,697,346.88	-82,463,528.41
1. Other comprehensive income that can be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge	20,553,395.38	-72,795,178.35
6. Differences in translation of foreign currency financial statements	92,143,951.50	-9,668,350.06
7. Others		
Other comprehensive income attributable to minority interests, net after tax		
VII. Total comprehensive income	871,255,368.36	476,460,484.32
Total comprehensive income attributable to owners of the parent company	870,703,327.49	478,137,407.86
Total comprehensive income attributable to minority interests	552,040.87	-1,676,923.54
VIII. Earnings per share:		
(I) Basic earnings per share	0.45	0.33
(II) Diluted earnings per share	0.45	0.33

Legal Representative: YUAN Yonggang

CFO: WANG Xu

Accounting Supervisor: ZHU Deguang

#### 4. Standalone income statement

In RMB

Item	First half of 2025	First half of 2024
I. Operating revenue	2,035,279,637.55	2,146,603,495.20
Less: Operating cost	1,923,255,924.16	2,082,748,511.41
Taxes and surcharges	7,304,339.14	14,450,087.28
Selling expenses	11,700,519.31	24,066,524.34
Administrative expenses	95,512,928.90	124,363,216.37
R&D expenses	95,862,762.28	103,191,448.64
Financial expenses	97,559,230.35	108,373,027.07
Incl.: Interest expenses	127,405,110.13	175,228,306.42
Interest income	27,296,685.73	37,981,858.78
Add: Other income	5,531,714.64	28,294,000.51
Investment income (loss expressed with "-")	-3,285,156.20	-5,578,349.99
Incl.: Investment income from associates and joint ventures	-3,445,956.20	-2,927,211.16
Gain on derecognition of financial assets at amortized cost (loss expressed with "-")		
Net exposure hedging income (loss expressed with "-")		
Gain on changes in fair value (loss expressed with "-")		-13,243,914.03
Credit impairment loss (loss expressed with "-")	-8,328,750.96	-57,838,856.00
Impairment loss on assets (loss expressed with "-")	-1,685,402.36	206,582.75

Gain on disposal of assets (loss expressed with “-”)	41,991.25	389,609.87
II. Operating profit (loss expressed with “-”)	-203,641,670.22	-358,360,246.80
Add: Non-operating revenue	435,385.53	5,000.00
Less: Non-operating expenses	4,403,421.43	2,575,310.30
III. Profit before tax (loss expressed with “-”)	-207,609,706.12	-360,930,557.10
Less: Income tax expenses	-43,609,661.73	-60,283,342.31
IV. Net profit (loss expressed with “-”)	-164,000,044.39	-300,647,214.79
(I) Net profit from continuing operation (loss expressed with “-”)	-164,000,044.39	-300,647,214.79
(II) Net profit from discontinued operation (loss expressed with “-”)		
V. Other comprehensive income, net		
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes arising from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of the corporation’s credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that can be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge		
6. Differences in translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	-164,000,044.39	-300,647,214.79
VII. Earnings per share:		
(I) Basic earnings per share	-0.10	-0.18
(II) Diluted earnings per share	-0.10	-0.18

## 5. Consolidated cash flow statement

In RMB

Item	First half of 2025	First half of 2024
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	17,905,726,279.90	17,706,958,316.93
Net increase in deposits from clients and other banks		
Net increase in borrowings from Central Bank		
Net increase in borrowings from other financial institutions		
Proceeds from premiums under prior insurance contracts		
Net proceeds from reinsurance business		
Net increase in insured’s deposits and investments		
Proceeds from interest, fees and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase in receipts under repurchase transactions		
Net cash received as stock broker		
Tax refunds received	669,998,774.36	524,915,907.68
Other proceeds relating to operating activities	648,888,660.75	592,490,973.79
Cash provided by operating activities	19,224,613,715.01	18,824,365,198.40

Payments for purchase of goods and receipt of services	13,120,444,976.67	12,996,139,860.06
Net increase in loans and advances from clients		
Net increase in deposits in Central Bank and other banks		
Payment of claims under prior insurance contracts		
Net increase in loans to banks and other financial institutions		
Payment of interest, fees and commissions		
Payment of policyholder dividends		
Payments to and for employees	2,542,398,872.87	2,392,154,841.93
Taxes paid	360,545,772.47	519,477,522.80
Other payments relating to operating activities	701,106,071.72	827,623,574.33
Cash used in operating activities	16,724,495,693.73	16,735,395,799.12
Net cash flows from operating activities	2,500,118,021.28	2,088,969,399.28
II. Cash flows from investing activities:		
Proceeds from disposal of investments	38,814,660.00	308,155,031.33
Proceeds from return on investments	4,378,625.51	-29,218,011.67
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	77,684,733.24	19,280,110.65
Net proceeds from the disposal of subsidiaries and other business entities		
Other proceeds relating to investing activities	793,654,284.84	419,424,782.41
Cash provided by investing activities	914,532,303.59	717,641,912.72
Payments for the acquisition of fixed assets, intangible assets and other long-term assets	2,148,254,435.73	1,644,034,818.83
Payments for investments	168,236,626.52	356,562,777.83
Net increase in mortgage loans		
Net payments for the acquisition of subsidiaries and other business entities		
Other cash payments relating to investing activities	584,356,090.09	530,962,815.64
Cash used in investing activities	2,900,847,152.34	2,531,560,412.30
Net cash flows from investing activities	-1,986,314,848.75	-1,813,918,499.58
III. Cash flows from financing activities:		
Proceeds from investors	1,391,512,544.73	
Incl.: Proceeds of subsidiaries from minority shareholders' investments		
Cash receipts from borrowings	4,365,837,875.26	5,465,543,117.47
Other proceeds relating to financing activities	730,151,717.04	329,197,076.44
Cash provided by financing activities	6,487,502,137.03	5,794,740,193.91
Repayment of borrowings	4,240,821,985.76	4,327,541,972.24
Payment of distribution of dividends and profits or for interest	269,883,548.61	608,693,016.38
Incl.: Dividends and profits distributed by subsidiaries to minor shareholders		
Other payments relating to financing activities	453,405,753.18	823,264,123.26
Cash used in financing activities	4,964,111,287.55	5,759,499,111.88
Net cash flows from financing activities	1,523,390,849.48	35,241,082.03
IV. Effect of exchange rate changes on cash and cash equivalents	35,783,302.37	96,575,094.20
V. Net increase in cash and cash equivalents	2,072,977,324.38	406,867,075.93
Add: Opening balance of cash and cash equivalents	5,343,600,382.37	5,644,487,018.31
VI. Closing balance of cash and cash equivalents	7,416,577,706.75	6,051,354,094.24

## 6. Standalone cash flow statement

In RMB

Item	First half of 2025	First half of 2024
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	1,848,570,248.41	1,443,818,515.88
Tax refunds received	55,983,401.38	29,497,769.17
Other proceeds relating to operating activities	706,540,414.22	1,514,065,178.51
Cash provided by operating activities	2,611,094,064.01	2,987,381,463.56
Payments for purchase of goods and receipt of services	1,625,050,615.30	1,465,458,913.36
Payments to and for employees	152,271,297.86	222,379,192.36
Taxes paid	7,912,874.45	63,148,735.28
Other payments relating to operating activities	755,309,050.54	1,536,093,507.96
Cash used in operating activities	2,540,543,838.15	3,287,080,348.96
Net cash flows from operating activities	70,550,225.86	-299,698,885.40
II. Cash flows from investing activities:		
Proceeds from disposal of investments		
Proceeds from return on investments	203,172,800.00	636,744,542.27
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	133,574.11	1,973,928.00
Net proceeds from the disposal of subsidiaries and other business entities		
Other proceeds relating to investing activities	679,130,328.77	52,970,680.65
Cash provided by investing activities	882,436,702.88	691,689,150.92
Payments for the acquisition of fixed assets, intangible assets and other long-term assets	30,663,769.49	96,735,594.65
Payments for investments		35,000,000.00
Net payments for the acquisition of subsidiaries and other business entities		
Other cash payments relating to investing activities	888,354,407.83	377,108,817.47
Cash used in investing activities	919,018,177.32	508,844,412.12
Net cash flows from investing activities	-36,581,474.44	182,844,738.80
III. Cash flows from financing activities:		
Proceeds from investors	1,391,512,544.73	
Cash receipts from borrowings	1,360,000,000.00	2,006,208,006.67
Other proceeds relating to financing activities	1,353,041,000.00	2,229,593,452.48
Cash provided by financing activities	4,104,553,544.73	4,235,801,459.15
Repayment of borrowings	2,233,501,340.00	2,303,446,666.67
Payment of distribution of dividends and profits or for interest	187,206,039.04	522,672,772.48
Other payments relating to financing activities	661,026,890.77	1,418,793,147.62
Cash used in financing activities	3,081,734,269.81	4,244,912,586.77
Net cash flows from financing activities	1,022,819,274.92	-9,111,127.62
IV. Effect of exchange rate changes on cash and cash equivalents	5,841,710.55	18,646,929.18
V. Net increase in cash and cash equivalents	1,062,629,736.89	-107,318,345.04
Add: Opening balance of cash and cash equivalents	538,870,203.05	478,844,238.56
VI. Closing balance of cash and cash equivalents	1,601,499,939.94	371,525,893.52

## 7. Consolidated statement of changes in owners' equity

Amount of the current period

In RMB

Item	First half of 2025														
	Owners’ equity attributable to the parent											Mino rity intere sts	Total owners , equity		
	Share capital	Other equity instruments			Capita l reserv e	Less: Treas ury share s	Other comp rehen sive inco me	Sp eci al res erve	Surpl us reserv e	Ge ne ral risk res	Retain ed profits			Ot he rs	Subtot al
		Pre ferr ed sha	Per pet ual bon	Ot he rs											

		res	ds							er					
										ve					
I. Balance at the end of the previous year	1,705, 913,71 0.00				7,992, 284,43 5.83	74,99 1,696 .79	- 317,1 04,37 4.08		232,2 41,21 6.54		9,288, 043,97 7.88		18,826 ,387,2 69.38	59,71 5,963 .85	18,886 ,103,2 33.23
Add: Changes in accountin g policies															
Correctio n of previous period errors															
Others															
II. Balance at the beginnin g of the current year	1,705, 913,71 0.00				7,992, 284,43 5.83	74,99 1,696 .79	- 317,1 04,37 4.08		232,2 41,21 6.54		9,288, 043,97 7.88		18,826 ,387,2 69.38	59,71 5,963 .85	18,886 ,103,2 33.23
III. Increase/ (decrease ) in the current period (decrease expresse d with “- ”)	125,69 3,822. 00				1,265, 818,72 2.73	100,0 84,43 7.00	112,6 97,34 6.88				639,21 0,799. 98		2,043, 336,25 4.59	552,0 40.87	2,043, 888,29 5.46
(I) Total compreh ensive income							112,6 97,34 6.88				758,00 5,980. 61		870,70 3,327. 49	552,0 40.87	871,25 5,368. 36
(II) Investme nt/(divest ment) by sharehold ers	125,69 3,822. 00				1,265, 818,72 2.73	100,0 84,43 7.00							1,291, 428,10 7.73		1,291, 428,10 7.73
1. Contribut ions from holders of ordinary shares	125,69 3,822. 00				1,265, 818,72 2.73								1,391, 512,54 4.73		1,391, 512,54 4.73
2.															

Contributions from holders of other equity instruments															
3. Share-based payments recorded in owners' equity															
4. Others						100,084,437.00							-100,084,437.00		-100,084,437.00
(III) Distribution of profits											-118,795,180.63		-118,795,180.63		-118,795,180.63
1. Surplus reserve															
2. General risk reserve															
3. Distributions to owners (shareholders)											-118,795,180.63		-118,795,180.63		-118,795,180.63
4. Others															
(IV) Internal transfer of owners' equity															
1. Transfer of capital reserve to (share) capital															
2. Transfer of surplus reserve to (share)															

capital															
3. Make-up of losses by surplus reserve															
4. Transfer of changes in defined benefit plans to retained earnings															
5. Transfer of other comprehensive income to retained earnings															
6. Others															
(V) Special reserve															
1. Appropriated in the current period															
2. Used in the current period															
(VI) Others															
IV. Balance at the end of the current period	1,831,607,532.00				9,258,103,158.56	175,076,133.79	-204,407,027.20		232,241,216.54		9,927,254,777.86		20,869,723,523.97	60,268,004.72	20,929,991,528.69

The same period of the previous year

In RMB

Item	First half of 2024												Min ority	Tota l
	Owners' equity attributable to the parent													
	Shar	Other equity	Capi	Less	Oth	Spe	Surp	Gen	Reta	Oth	Subt			



	e capi tal	instruments			tal rese rve	: Trea sury shar es	er com preh ensi ve inco me	cial rese rve	lus rese rve	eral risk rese rve	ined prof its	ers	otal	inter ests	own ers' equi ty
		Pref erre d shar es	Perp etua l bon ds	Oth ers											
I. Balance at the end of the previous year	1,70 9,86 7,32 7.00				8,06 3,76 8,40 9.73	125, 906, 811. 33	- 714, 664, 578. 64		184, 866, 869. 73		9,02 5,09 5,52 9.05		18,1 43,0 26,7 45.5 4	47,3 29,8 51.7 2	18,1 90,3 56,5 97.2 6
Add: Changes in accounting policies															
Correction of previous period errors															
Others															
II. Balance at the beginning of the current year	1,70 9,86 7,32 7.00				8,06 3,76 8,40 9.73	125, 906, 811. 33	- 714, 664, 578. 64		184, 866, 869. 73		9,02 5,09 5,52 9.05		18,1 43,0 26,7 45.5 4	47,3 29,8 51.7 2	18,1 90,3 56,5 97.2 6
III. Increase/(decrease) in the current period (decrease expressed with "-")					1,10 7,14 1.50	25,0 00,8 46.3 0	- 82,4 63,5 28.4 1				135, 281, 884. 02		28,9 24,6 50.8 1	- 1,67 6,92 3.54	27,2 47,7 27.2 7
(I) Total comprehensive income							- 82,4 63,5 28.4 1				560, 600, 936. 27		478, 137, 407. 86	- 1,67 6,92 3.54	476, 460, 484. 32
(II) Investment/(divestment) by shareholders					1,10 7,14 1.50	25,0 00,8 46.3 0							- 23,8 93,7 04.8 0		- 23,8 93,7 04.8 0
1. Contributions from holders of ordinary shares															
2. Contributions from holders of other equity instruments															

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

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

## 8. Standalone statement of changes in owners' equity

Amount of the current period

In RMB

Item	First half of 2025											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the previous year	1,705,913,710.00				7,890,754,703.00	74,991,696.79			232,241,216.54	133,904,306.56		9,887,822,239.31
Add: Changes in accounting policies												
Correction of previous period errors												
Others												
II. Balance at the beginning of the current year	1,705,913,710.00				7,890,754,703.00	74,991,696.79			232,241,216.54	133,904,306.56		9,887,822,239.31
III. Increase/(decrease) in the current	125,693,822.00				1,265,818,722.73	100,084,437.00				-282,795.225.02		1,008,632,882.71

period (decrease expressed with “-”)												
(I) Total comprehensive income										- 164,0 00,04 4.39		- 164,0 00,04 4.39
(II) Investment/( divestment) by shareholders	125,6 93,82 2.00				1,265, 818,7 22.73	100,0 84,43 7.00						1,291, 428,1 07.73
1. Contributions from holders of ordinary shares	125,6 93,82 2.00				1,265, 818,7 22.73							1,391, 512,5 44.73
2. Contributions from holders of other equity instruments												
3. Share- based payments recorded in owners’ equity												
4. Others						100,0 84,43 7.00						- 100,0 84,43 7.00
(III) Distribution of profits										- 118,7 95,18 0.63		- 118,7 95,18 0.63
1. Surplus reserve												
2. Distributions to owners (shareholders )										- 118,7 95,18 0.63		- 118,7 95,18 0.63
3. Others												
(IV) Internal transfer of owners’ equity												
1. Transfer of capital reserve to												

(share) capital												
2. Transfer of surplus reserve to (share) capital												
3. Make-up of losses by surplus reserve												
4. Transfer of changes in defined benefit plans to retained earnings												
5. Transfer of other comprehensive income to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balance at the end of the current period	1,831,607,532.00				9,156,573,425.73	175,076,133.79			232,241,216.54	-148,890,918.46		10,896,455,122.02

The same period of the previous year

In RMB

Item	First half of 2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the previous year	1,709,867,327.00				7,962,239,056.77	125,906,811.33	-350,000,000.00		184,866,869.73	482,854,237.57		9,863,920,679.74

Add: Changes in accounting policies												
Correction of previous period errors												
Others												
II. Balance at the beginning of the current year	1,709, 867,3 27.00				7,962, 239,0 56.77	125,9 06,81 1.33	- 350,0 00,00 0.00		184,8 66,86 9.73	482,8 54,23 7.57		9,863, 920,6 79.74
III. Increase/(dec rease) in the current period (decrease expressed with “-”)					1,107, 141.5 0	25,00 0,846. 30				- 725,9 66,26 7.04		- 749,8 59,97 1.84
(I) Total comprehensi ve income										- 300,6 47,21 4.79		- 300,6 47,21 4.79
(II) Investment/( divestment) by shareholders					1,107, 141.5 0	25,00 0,846. 30						- 23,89 3,704. 80
1. Contributi ons from holders of ordinary shares												
2. Contributi ons from holders of other equity instruments												
3. Share- based payments recorded in owners’ equity					1,107, 141.5 0							1,107, 141.5 0
4. Others						25,00 0,846. 30						- 25,00 0,846. 30
(III) Distribution										- 425,3		- 425,3

of profits										19,05 2.25		19,05 2.25
1. Surplus reserve												
2. Distributions to owners (shareholders)										- 425,3 19,05 2.25		- 425,3 19,05 2.25
3. Others												
(IV) Internal transfer of owners' equity												
1. Transfer of capital reserve to (share) capital												
2. Transfer of surplus reserve to (share) capital												
3. Make-up of losses by surplus reserve												
4. Transfer of changes in defined benefit plans to retained earnings												
5. Transfer of other comprehensive income to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balance	1,709, 867,3				7,963, 346,1	150,9 07,65	- 350,0		184,8 66,86	- 243,1		9,114, 060,7

at the end of the current period	27.00				98.27	7.63	00,00 0.00		9.73	12,02 9.47		07.90
--	-------	--	--	--	-------	------	---------------	--	------	---------------	--	-------

### III. General Information of the Company

Suzhou Dongshan Precision Manufacturing Co., Ltd. (hereinafter referred to as the “Company”) is a company limited by shares converted from Suzhou Dongshan Sheet Metal Co., Ltd., and registered with the Suzhou Municipal Administration for Industry and Commerce of Jiangsu on December 24, 2007, and is headquartered in Suzhou, Jiangsu, holds a business license with unified social credit code of 91320500703719732P, and has a registered capital of RMB 1,831,607,532, divided into 1,831,607,532 shares with a par value of RMB 1 each share, of which, 445,285,809 shares are non-tradable A-shares, and 1,386,321,723 shares are tradable A-shares. The Company’s shares have been listed and traded on the Shenzhen Stock Exchange since April 9, 2010.

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

These financial statements are published with the approval of the 26<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors of the Company on August 25, 2025.

### IV. Basis for Preparation of the Financial Statements

#### 1. Basis for preparation

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

#### 2. Going concern

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

### V. Significant Accounting Policies and Accounting Estimates

Note about specific accounting policies and accounting estimates:

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



## 1. Statement of compliance with the Accounting Standards for Business Enterprises (“CASBEs”)

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

## 2. Accounting period

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

## 3. Operating cycle

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

## 4. Functional currency

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

## 5. Determination and basis for selection of materiality criteria

☒ Applicable ☐ N/A

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

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

### 1. Accounting treatment of business combinations involving entities under common control

Assets and liabilities acquired from a business combination by the Company are measured at the carrying value of the assets and liabilities of the acquiree in the consolidated financial statements of the ultimate controller at the combination date. The

difference between the carrying value of the owners' equity of the acquiree as stated in the consolidated financial statements of the ultimate controller and the carrying value of the total consideration paid or total par value of the shares issued in connection with the combination is treated as an adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is charged against the retained earnings.

## 2. Accounting treatment of business combinations involving entities not under common control

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

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

### 1. Determination of control

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

### 2. Method of preparation of consolidated financial statements

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

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

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

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

- (1) the assets individually held by the Company, and the Company's share of the assets held jointly;
- (2) the liabilities incurred individually by the Company, and the Company's share of the liabilities incurred jointly;
- (3) the Company's revenue from the sale of its share of the output of the joint operation;

(4) the Company's share of revenue from the sale of assets by the joint operation; and

(5) the expenses incurred individually by the Company, and the Company's share of the expenses incurred jointly.

## 9. Recognition of cash and cash equivalents

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

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

### 1. Translation of foreign currency transactions

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

### 2. Translation of foreign currency financial statements

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

## 11. Financial instruments

### 1. Classification of financial assets and financial liabilities

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

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

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

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

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

### (2) Subsequent measurement of financial assets

#### 1) Financial assets at amortized cost

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

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

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

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

Investments in equity instruments at fair value through other comprehensive income are subsequently measured at fair value. Dividends received (other than those received as recovery of investment cost) are recognized in profit or loss, while other gains or

losses are recognized in other comprehensive income. Upon derecognition, the aggregate gains or losses previously recognized in other comprehensive income are transferred to retained earnings.

#### 4) Financial assets at fair value through profit or loss

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

#### (3) Subsequent measurement of financial liabilities

##### 1) Financial liabilities at fair value through profit or loss

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

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

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

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

Such financial liabilities are subsequently measured at the higher of ① allowance for impairment losses determined according to the policy for impairment of financial instruments; and ② balance of the initially recognized amount after deduction of the accumulated amortization determined in accordance with CASBE 14 Revenue.

##### 4) Financial liabilities at amortized cost

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

#### (4) Derecognition of financial assets and financial liabilities

##### 1) Financial assets are derecognized when:

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

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

##### 3. Determination and measurement of financial assets transferred

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

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

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

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

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

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

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

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

#### 5. Impairment of financial instruments

The Company determines the impairment and assesses allowance for impairment of financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, lease payments receivable, loan commitments other than financial liabilities designated at fair value through profit or loss, and financial guarantee contracts other than financial liabilities designated at fair value through profit or loss and financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred, on the basis of expected credit losses.

Expected credit loss is the weighted average of credit losses on financial instruments taking into account the possibility of default. Credit loss is the present value of the difference between all contractual cash flows receivable under the contract and estimated future cash flows discounted at the original effective interest rate, i.e. the present value of all cash shortages, where the

Company's purchased or originated financial assets that have become credit impaired are discounted at their credit-adjusted effective interest rate.

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

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

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

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

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

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

At each balance sheet date, the Company re-assesses the expected credit losses, with the amount of increase in or reversal of impairment loss recognized in profit or loss as impairment losses or gains. With respect to a financial asset at amortized cost, its carrying value recorded in the balance sheet is written off against the impairment loss. With respect to an investment in debt instruments at fair value through other comprehensive income, the Company recognizes the impairment loss in other comprehensive income, without reducing its carrying value.

## 6. Offsetting of financial assets and financial liabilities



Financial assets and financial liabilities are presented in the balance sheet separately, without offsetting each other. Financial assets and financial liabilities are offset and presented on a net basis in the balance sheet only if: (i) the Company has a currently enforceable legal right to offset the recognized amounts; and (ii) the Company has an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

With respect to the transfer of financial assets not meeting the criteria for derecognition, the Company does not offset the financial assets transferred against the relevant liabilities.

## 12. Notes receivable

## 13. Accounts receivable

## 14. Accounts receivable financing

Determination and recognition of expected credit losses on accounts receivable

1. Accounts receivable for which the allowance for expected credit losses is recognized collectively according to credit risk

characteristics

Group type	Basis for grouping	Method for measuring expected credit losses
Banker's acceptance bills receivable	Type of bills	By reference to historical credit loss experience, and taking into account the current situations and prediction of future economic conditions, calculate the expected credit losses according to the default risk exposure and rate of lifetime expected credit loss.
Commercial acceptance bills receivable		
Accounts receivable – aging group	Age	By reference to historical credit loss experience, and taking into account the current situations and prediction of future economic conditions, prepare a comparison table of the age of accounts receivable and rate of expected credit loss, and calculate the expected credit losses.
Other receivables – aging group	Age	By reference to historical credit loss experience, and taking into account the current situations and prediction of future economic conditions, prepare a comparison table of the age of other receivables and rate of expected credit loss, and calculate the expected credit losses.
Long-term receivables – group of security deposits	Nature of accounts	By reference to historical credit loss experience, and taking into account the current situations and prediction of future economic conditions, calculate the expected credit losses according to the default risk exposure and rate of lifetime expected credit loss.

2. Comparison table of the age and rate of expected credit loss

Age	Rate of expected credit loss on accounts receivable (%)	Rate of expected credit loss on other accounts receivable (%)
Within 6 months (inclusive, the same below)	0.5	5
7-12 months	5	5
1-2 years	20	10
2-3 years	60	50
Over 3 years	100	100

The age of an account receivable, other account receivable or commercial acceptance bill receivable is calculated from the month it actually occurred.

3. Determination of accounts receivable for which the allowance for expected credit losses is recognized individually

With respect to the accounts receivable whose credit risk is significantly different from that of the relevant group, an allowance for expected credit losses is recognized individually.

## **15. Other receivables**

Methods for recognition and accounting of expected credit losses of other receivables

## **16. Contract assets**

## **17. Inventories**

### **1. Classification of inventories**

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

### **2. Valuation of inventories dispatched**

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

### **3. Inventory system**

The perpetual inventory system is adopted.

### **4. Amortization of low-value consumables and packing materials**

#### **(1) Low-value consumables**

One-off amortization method shall apply.

#### **(2) Packing materials**

One-off amortization method shall apply.

### **5. Inventory provision**

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

**18. Assets held for sale****19. Debt investments****20. Other debt investments****21. Long-term receivable****22. Long-term equity investments****1. Determination of joint control and significant influence**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy-making of an entity, but is not control or joint control over those policies.

**2. Determination of investment cost**

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

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

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

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

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

2) In the consolidated financial statements, if the transactions constitute a package deal, the Company accounts for such transactions as one deal to gain control. If such transactions do not constitute a package deal, the equity held in the acquiree prior to the acquisition date is remeasured at its fair value at the acquisition date, with the difference between its fair value and carrying value recognized as an investment income for the current period; if the equity held in the acquiree prior to the acquisition date involves other comprehensive income under the equity method, such other comprehensive income is transferred to the income for the period in which the acquisition date falls, except for other comprehensive income arising from remeasurement of changes in net liabilities or net assets of defined benefit plans.

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

### 3. Subsequent measurement and recognition of profit or loss

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

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

#### (1) Criteria for determining a package deal

Where the Company loses control over a subsidiary due to the disposal of equity investment in the subsidiary through multiple transactions by steps, the Company determines whether such transactions constitute a package deal taking into account

the transaction contract terms, consideration received, the transferee of the equity sold, method of disposal, time of disposal and other information in respect of each step. If the terms, conditions and financial effect of such transactions fall under one or more of the circumstances set forth below, such transactions are accounted for as a package deal generally:

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

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

1) Standalone financial statements

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

2) Consolidated financial statements

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

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

comprehensive income related to the equity investment in the subsidiary is transferred to the investment income for the period during which the control was lost.

(3) Accounting treatment of transactions constituting a package deal

1) Standalone financial statements

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

2) Consolidated financial statements

The Company accounts for such transactions as one deal to dispose of and lose control over the subsidiary; however, in the consolidated financial statements, the difference between the proceeds from each disposal before loss of control and the Company's share of the net assets of the subsidiary corresponding to the equity disposed of is recognized in other comprehensive income, which is wholly transferred to profit or loss in the period during which the control was lost.

## 23. Investment property

Measurement model for investment property

Measured at cost

Method of depreciation or amortization

1. Investment properties include land use rights leased out or held for appreciation and buildings and structures leased out.

2. An investment property is measured initially at cost, and subsequently using the cost model, and depreciated or amortized using the same method as fixed assets and intangible assets.

## 24. Fixed assets

### (1) Criteria for recognition

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

## (2) Depreciation

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

## 25. Construction in progress

1. A construction in progress is recognized if the economic benefits relating to it are very likely to flow to the Company and its cost can be reliably measured. Construction in progress is measured at the actual cost incurred before it is completed and ready for the intended use.

2. When a construction in progress is ready for intended use, it is transferred to fixed assets at its actual construction cost. A construction in progress that is ready for intended use but the final settlement of which has not yet been completed is transferred to fixed assets at estimated value first, and after the completion of the final settlement, the estimated value is adjusted according to the actual cost, without adjusting the accumulated depreciation.

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

## 26. Borrowing costs

### 1. Recognition of capitalization of borrowing costs

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

### 2. Period of capitalization of borrowing costs

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

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

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

### 3. Rate and amount of capitalization of borrowing costs

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

## 27. Biological assets

## 28. Oil and gas assets

## 29. Intangible assets

### (1) Service life and basis for determination of service life, estimates, method of amortization or review procedure

1. Intangible assets, including land use rights, software, patents and trademarks, are initially measured at cost.

2. An intangible asset with a finite service life is amortized in a systematic and reasonable manner according to the pattern in which the economic benefits related to the intangible asset are expected to be realized, or if that pattern cannot be determined reliably, using the straight line method as follows:

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



Item	Useful life and basis for determination of useful life (years)	Method of amortization
Customer resources	10	Straight line method

Intangible assets with indefinite service lives are not amortized, and their service lives are reviewed at each reporting period.

## (2) Scope and accounting treatment of research and development (R&D) expenses

### 3. Scope of R&D expenses

#### (1) Labor costs

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

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

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

#### (2) Direct costs

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

#### (3) Depreciation expenses and long-term deferred expenses

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

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

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

(4) Amortization expenses of intangible assets

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

(5) Design costs

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

(6) Equipment commissioning costs and testing costs

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

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

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

(7) Outsourced R&D expenses

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

(8) Other expenses

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

4. Expenditures on an internal R&D project at the research phase are recognized in profit or loss in the period in which they are incurred. Expenditures on an internal R&D project at the development phase are recognized as an intangible asset if: (i) it is

technically feasible to complete the intangible asset so that it will be available for use of sale; (ii) it is intended to complete the intangible asset so that it will be available for use of sale; (iii) the pattern in which the intangible asset will generate economic benefits can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself, or if it is to be used internally, the usefulness of the intangible asset; (iv) there are sufficient technical, financial and other resources available to complete the development activities and to use or sell the intangible asset; and (v) the expenditures attributable to the development of the intangible asset can be reliably measured.

### **30. Impairment of long-term assets**

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

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

### **31. Long-term deferred expenses**

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

### **32. Contract liabilities**

### **33. Employee benefits**

#### **(1) Accounting treatment of short-term employee benefits**

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

## **(2) Accounting treatment of post-employment benefits**

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

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

1) According to the projected unit credit method, use unbiased and consistent actuarial assumptions to estimate demographic variables and financial variables, measure the obligation arising from the defined benefit plan and determine the period to which the relevant obligation belongs. Meanwhile, discount the obligation arising from the defined benefit plan, in order to determine the present value of the benefit plan obligation and the current service cost;

2) If the defined benefit plan has assets, the deficit or surplus resulting after reducing the present value of the defined benefit obligation by the fair value of the defined benefit plan is recognized as a net liability or asset of the defined benefit plan. If the defined benefit plan has a surplus, the net assets of the defined benefit plan are measured at the lower of surplus in the defined benefit plan and asset ceiling;

3) At the end of the current period, the cost of employee benefits arising from the defined benefit plan is recorded as service cost, net interest on the net liabilities or net assets of the defined benefit plan, and changes arising from remeasurement of the net liabilities or net assets of the defined benefit plan, where the service cost and the net interest on the net liabilities or net assets of the defined benefit plan are included in profit or loss or the cost of related assets, and the changes arising from remeasurement of the net liabilities or net assets of the defined benefit plan are included in other comprehensive income, which will not be reversed to profit or loss in subsequent periods, but may be transferred within the scope of equity.

## **(3) Accounting treatment of termination benefits**

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

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

##### **34. Provisions**

1. Provisions are recognized when the Company has a present obligation as a result of any external guarantee, litigation, product quality warranty, onerous contract or other contingencies, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured.

2. Provisions are initially measured according to the best estimates of the expenditures required to settle the related present obligations. The carrying value of provisions is reviewed at the balance sheet date.

##### **35. Share-based payments**

###### **1. Types of share-based payments**

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

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

###### **(1) Equity-settled share-based payment**

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

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

###### **(2) Cash-settled share-based payment**

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

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

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

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

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

## **36. Preferred shares, perpetual bonds and other financial instruments**

## **37. Revenue**

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

### 1. Revenue recognition principle

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

A performance obligation shall be satisfied over time if it meets one of the following conditions, otherwise, it shall be satisfied at a point in time: (i) the customer simultaneously receives and consumes the benefits provided by the Company's performance; (ii) the customer can control the work in process created during the Company's performance; or (iii) the Company's performance does not create the goods with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

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

## 2. Revenue measurement principle

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

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

(3) If a contract contains a significant financing component, the Company determines the transaction price according to the amount that the customer would have paid for the goods or services if it had paid cash when it obtained control of the goods or services. The difference between such transaction price and the contract consideration is amortized over the term of the contract using the effective interest method.

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

Different methods of revenue recognition and measurement for the same business type that adopts different business models.

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

### **38. Contract costs**

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

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

1. the costs relate directly to a contract or to an anticipated contract, including direct labor, direct material, manufacturing costs (or similar costs), costs that are explicitly chargeable to the relevant customer under the contract and other costs incurred solely in connection with the contract;



2. the costs enhance the resources of the Company that will be used in satisfying the performance obligations in the future;
3. the costs are expected to be recovered.

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

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

### **39. Government grants**

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

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

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

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

Government grants related to income are government grants other than those related to assets. Government grants related to both assets and income where it is difficult to make a distinction between the portion related to assets and the portion related to income are wholly classified as government grants related to income. Government grants related to income as compensation for expenses or losses to be incurred in subsequent periods are recognized as deferred income and in the period for recognizing the relevant costs, expenses or losses, included in profit or loss or offset against the relevant costs. Government grants related to income as compensation for expenses or losses already incurred are directly included in profit or loss or offset against the relevant costs.

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

#### 5. Accounting treatment of policy loan interest subsidy

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

## 40. Deferred tax assets and deferred tax liabilities

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

2. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized. At the balance sheet date, previously unrecognized deferred tax assets are recognized if conclusive evidence exists that sufficient taxable income will probably be available in future periods to utilize the deductible temporary differences.

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

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

5. Deferred income tax assets and deferred income tax liabilities are offset and presented on a net basis if: (i) the Company has a legal right to settle current tax assets and current tax liabilities on a net basis; and (ii) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and current tax liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed.

## **41. Leases**

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

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

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

#### **(1) Right-of-use assets**

Right-of-use assets are initially measured at cost, which cost includes: (i) the amount of the lease liability initially measured; (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) estimated costs to be incurred by the lessee in dismantling and removing the lease asset, restoring the site on which it is located or restoring the lease asset to the condition required by the terms and conditions of the lease.

The Company depreciates the right-of-use assets using the straight-line method. If it is reasonable to be certain that the ownership of a lease asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset over its remaining service life. Otherwise, the Company depreciates the right-of-use asset over the shorter of the lease term and its remaining service life.

#### **(2) Lease liabilities**

At the lease commencement date, the Company measures a lease liability at the present value of the lease payments that have not been paid at that date. The present value of lease payments is determined using the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. The difference between the lease payments and their present value is unrecognized financing costs. Interest expenses are measured for each period within the lease term using the discount rate for determining the present value of lease payments, and recognized in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss in the period during which they are incurred.

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

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

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

### **(1) Operating lease**

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

### **(2) Finance lease**

At the lease commencement date, the Company recognizes the finance lease payments receivable based on the net investment in the lease (equal to the sum of unguaranteed residual value and the present value of lease receipts that are not received at the lease commencement date and discounted using the Company's incremental borrowing rate), and derecognizes the assets held

under the finance lease. The Company calculates and recognizes interest income using the interest rate implicit in the lease over the lease term.

Variable lease payments that are not included in the measurement of the net investment in a lease are recognized in profit or loss when they are incurred.

## 42. Other Significant accounting policies and accounting estimates

## 43. Significant changes in accounting policies and accounting estimates

### (1) Significant changes in accounting policies

☐ Applicable ☒ N/A

### (2) Changes in significant accounting estimates

☐ Applicable ☒ N/A

### (3) Adjustment of the opening balance of related financial statement items due to the initial adoption of new accounting standards since 2025

☐ Applicable ☒ N/A

## 44. Miscellaneous

## VI. Taxation

### 1. Main categories of taxes and tax rates

Category of tax	Tax base	Tax rate
Value-added tax	The output tax is calculated based on revenue from sales of goods or rendering of services in accordance with the tax law, and net of the input tax deductible in the current period is the value-added tax payable.	13%, 6% or 7%-25% (for the Company's overseas subsidiaries)
Urban maintenance and construction tax	Amount of turnover tax actually paid	5% or 7% (China)
Enterprise income tax	Amount of taxable income	9%, 15%, 16.50%, 25%, 0, 21%, 0.75%-8.84%, 17%, 10%, 20%, 20.6%, 24%, 30%
Property tax	If levied on the basis of price, 1.2% * 70% of the original value of the property; if levied on the basis of rental, 12% of the lease income	1.2% or 12% (China)
Education surcharge	Amount of turnover tax actually paid	3% (China)
Local education surcharge	Amount of turnover tax actually paid	2% (China)

Different rates of enterprise income tax applicable to the taxpayers:

Taxpayer	Income tax rate
The Company, Mutto Optronics Technology Co., Ltd., MFLEX Yancheng Co., Ltd.,	15.00%

Yancheng Dongshan Precision Manufacturing Co., Ltd., Suzhou RF Top Electronic Communication Co., Ltd., Suzhou Chengjia Precision Manufacturing Co., Ltd., Suzhou Dongdai Electronic Technology Co., Ltd., Yancheng Dongshan Communication Technology Co., Ltd., Suzhou Yongchuang Communication Technology Co., Ltd., Suzhou Jebson Intelligent Technology Co., Ltd., Suzhou Dongyue New Energy Technology Co., Ltd., and Yancheng Dongchuang Precision Manufacturing Co., Ltd.	
HongKong Dongshan Precision Union Optoelectronic Co., Ltd. and other companies incorporated in Hong Kong	16.50%
Mutto Optronics Group Limited, Mflex Delaware, Inc., The Dii Group (BVI) Co. Limited	0
Multi-Fineline Electronix, Inc. (hereinafter referred to as Mflex) and other companies incorporated in the United States	Federal corporate income tax rate, 21%; state corporate income tax rate, 0.75%-8.84%
Multi-Fineline Electronix Singapore Ptd. Ltd. and other companies incorporated in Singapore	17% (Singapore)
Multek Technologies Limited	15% (enjoying an 80% tax exemption)
Multek Technology Sweden AB	20.6% (Sweden)
Multek Technology Malaysia SDN.BHD	24% (Malaysia)
DSBJ Mexico, S.DER.L.DEC.V. and other companies in Mexico	30.00%
Multi-Fineline Electronics (Thailand) Co., Ltd.	20.00%
Multi-Fineline Electronics Hungary KFT.	9.00%
Other taxpayers not listed above	25.00%

## 2. Tax preferences

(1) Pursuant to the *Notice on Publishing the Filing of the Third Batch of High and New Technology Enterprises Recognized by the Recognition Authority of Jiangsu Province in 2022* issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises, the Company's subsidiaries, Mutto Optronics, Yancheng Dongshan Precision Manufacturing Co., Ltd., Yancheng Dongshan Communication Technology Co., Ltd. and MFLEX Yancheng passed the high and new technology enterprise qualification review with a term of three years from 2022 to 2025, and therefore are subject to an enterprise income tax rate of 15% for the current period.

(2) Pursuant to the *Notice on Publishing the Filing of the Fourth Batch of High and New Technology Enterprises Recognized by the Recognition Authority of Jiangsu Province in 2022* issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises, the Company and its wholly-owned subsidiary Suzhou Chengjia passed the high and new technology enterprise qualification review with a term of three years from 2022 to 2025, and therefore are subject to an enterprise income tax rate of 15% for the current period.

(3) Pursuant to the *Notice on Publishing the Filing the Second Batch of High and New Technology Enterprises Recognized by the Recognition Authority of Jiangsu Province in 2022* issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises, the Company's subsidiary Suzhou RF Top Electronic Communication Co., Ltd. passed the high and new technology enterprise qualification review with a term of three years from 2022 to 2025, and therefore is subject to an enterprise income tax rate of 15% for the current period.

(4) Pursuant to the *Administrative Measures on Certification and Management of High and New Technology Enterprises* (Guo Ke Fa Huo (2016) No. 32) and *Guidelines for the Accreditation of High and New Technology Enterprises* (Guo Ke Fa Huo (2016) No. 195), Suzhou Dongdai Electronic Technology Co., Ltd., Suzhou Yongchuang Communication Technology Co., Ltd., and Suzhou Jebson Intelligent Technology Co., Ltd. passed the qualification review of high and new technology enterprises with a term of three years from 2023 to 2026, and therefore are subject to an enterprise income tax rate of 15% for the current period.

(5) Pursuant to the *Administrative Measures on Certification and Management of High and New Technology Enterprises* (Guo Ke Fa Huo (2016) No. 32) and *Guidelines for the Accreditation of High and New Technology Enterprises* (Guo Ke Fa Huo (2016) No. 195), Suzhou Dongyue New Energy Technology Co., Ltd. and Yancheng Dongchuang Precision Manufacturing Co., Ltd. passed the qualification review of high and new technology enterprises with a term of three years from 2024 to 2027, and therefore are subject to an enterprise income tax rate of 15% for the current period.

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

## VII. Notes to items of the consolidated financial statements

### 1. Cash and bank balances

In RMB

Item	Closing balance	Opening balance
Cash on hand	200,624.49	266,540.67
Bank deposits	7,629,676,172.26	5,771,485,841.70
Other cash and bank balances	1,098,095,614.02	1,400,578,869.92
Total	8,727,972,410.77	7,172,331,252.29
Incl.: Total amounts deposited abroad	3,101,225,858.20	2,457,343,027.80

Other information: See Notes to the Financial Statements for cash and cash equivalents subject to restrictions on use, and cash and bank balances not classified as cash and cash equivalents.

### 2. Financial assets held for trading

In RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	99,120,489.81	78,144,342.95
Incl.:		
Investments in equity instruments	65,235,923.23	63,212,376.92
Derivatives	33,884,566.58	14,931,966.03
Incl.:		
Total	99,120,489.81	78,144,342.95

#### 4. Notes receivable

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

In RMB

Item	Closing balance	Opening balance
Commercial acceptance bills	17,976,222.55	9,037,098.60
Total	17,976,222.55	9,037,098.60

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	Ratio of provision		Amount	%	Amount	Ratio of provision	
Incl.:										
Allowance recognized collectively	18,066,555.33	100.00%	90,332.78	0.50%	17,976,222.55	9,082,511.16	100.00%	45,412.56	0.50%	9,037,098.60
Incl.:										
Commercial acceptance bills	18,066,555.33	100.00%	90,332.78	0.50%	17,976,222.55	9,082,511.16	100.00%	45,412.56	0.50%	9,037,098.60
Total	18,066,555.33	100.00%	90,332.78	0.50%	17,976,222.55	9,082,511.16	100.00%	45,412.56	0.50%	9,037,098.60

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

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	Ratio of provision
Group of commercial acceptance bills	18,066,555.33	90,332.78	0.50%
Total	18,066,555.33	90,332.78	

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

Allowance for doubtful accounts recognized in the current period:

In RMB

Type	Opening	Changes in the current period	Closing balance
------	---------	-------------------------------	-----------------



	balance	Recognized	Recovered or reversed	Written off	Others	
Allowance recognized collectively	45,412.56	44,920.22				90,332.78
Total	45,412.56	44,920.22				90,332.78

## 5. Accounts receivable

### (1) Accounts receivable by age

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	5,981,786,072.97	7,669,860,368.06
Within 6 months	5,897,543,290.80	7,558,742,455.97
7-12 months	84,242,782.17	111,117,912.09
1-2 years	56,600,231.74	30,428,150.63
2-3 years	40,736,721.15	42,084,100.70
Over 3 years	210,461,454.48	218,266,298.53
3-4 years	15,387,941.56	33,424,157.23
4-5 years	16,614,833.49	103,896,595.98
Over 5 years	178,458,679.43	80,945,545.32
Total	6,289,584,480.34	7,960,638,917.92

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	Ratio of provision		Amount	%	Amount	Ratio of provision	
Allowance recognized individually	58,220,894.36	0.93%	57,514,295.37	98.79%	706,598.99	58,220,894.36	0.73%	57,514,295.37	98.79%	706,598.99
Incl.:										
Allowance recognized collectively	6,231,363,585.98	99.07%	229,786,272.30	3.69%	6,001,577,313.68	7,902,418,023.56	99.27%	239,666,597.06	3.03%	7,662,751,426.50
Incl.:										
Total	6,289,584,480.34	100.00%	287,300,567.67	4.57%	6,002,283,912.67	7,960,638,917.92	100.00%	297,180,892.43	3.73%	7,663,458,025.49

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

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	Ratio of provision
Within 6 months	5,897,543,290.81	29,487,716.95	0.50%
7-12 months	83,163,261.57	4,158,163.25	5.00%
1-2 years	49,300,629.96	9,860,126.00	20.00%
2-3 years	37,690,343.90	22,614,206.36	60.00%
Over 3 years	163,666,059.74	163,666,059.74	100.00%
Total	6,231,363,585.98	229,786,272.30	

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

Allowance for doubtful accounts recognized in the current period:

In RMB

Type	Opening balance	Changes in the current period				Closing balance
		Recognized	Recovered or reversed	Written off	Others	
Allowance recognized individually	57,514,295.37	0.00				57,514,295.37
Allowance recognized collectively	239,666,597.06	-9,880,324.76				229,786,272.30
Total	297,180,892.43	-9,880,324.76	0.00	0.00	0.00	287,300,567.67

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

In RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and contract assets	% of the total closing balance of accounts receivable and contract assets	Closing balance of allowance for doubtful accounts receivable and impairment of contract assets
Top 1	1,111,812,740.97		1,111,812,740.97	17.68%	5,598,742.07
Top 2	617,777,060.34		617,777,060.34	9.82%	5,328,738.87
Top 3	448,491,379.69		448,491,379.69	7.13%	2,242,456.86
Top 4	310,750,603.40		310,750,603.40	4.94%	1,977,601.87
Top 5	290,782,957.83		290,782,957.83	4.62%	1,453,914.79
Total	2,779,614,742.23		2,779,614,742.23	44.19%	16,601,454.46

## 7. Accounts receivable financing

### (1) Accounts receivable financing by category

In RMB

Item	Closing balance	Opening balance
Banker's acceptance bills	252,886,223.60	252,612,009.41

Total	252,886,223.60	252,612,009.41
-------	----------------	----------------

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	Ratio of provision		Amount	%	Amount	Ratio of provision	
Incl.:										
Allowance recognized collectively	252,886,223.60	100.00%			252,886,223.60	252,612,009.41	100.00%			252,612,009.41
Incl.:										
Banker's acceptance bills	252,886,223.60	100.00%			252,886,223.60	252,612,009.41	100.00%			252,612,009.41
Total	252,886,223.60	100.00%			252,886,223.60	252,612,009.41	100.00%			252,612,009.41

**(4) Accounts receivable financing pledged at the end of the current period**

In RMB

Item	Amount pledged at the end of the period
Banker's acceptance bills	51,194,067.17
Total	51,194,067.17

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

In RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Banker's acceptance bills	1,048,658,496.50	
Total	1,048,658,496.50	

**(8) Other information**

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

**8. Other receivables**

In RMB

Item	Closing balance	Opening balance
Other receivables	225,193,916.90	45,836,662.39
Total	225,193,916.90	45,836,662.39

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

In RMB

Nature of accounts	Closing book balance	Opening book balance
Loan and reserve fund	7,770,768.07	6,147,448.39
Security deposit	27,945,966.55	34,357,968.88
Temporary payment receivable and others	24,241,567.22	21,095,827.83
Security deposit for investments	187,005,481.32	
Total	246,963,783.16	61,601,245.10

**2) Other receivables by age**

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	230,232,286.33	27,206,070.82
1-2 years	5,591,924.04	18,570,040.87
2-3 years	2,881,026.62	6,555,716.67
Over 3 years	8,258,546.17	9,269,416.74
3-4 years	854,328.55	2,020,570.56
4-5 years	4,190,274.23	2,933,721.60
Over 5 years	3,213,943.39	4,315,124.58
Total	246,963,783.16	61,601,245.10

**3) Other receivables by the method of recognition of allowance for doubtful accounts**☒ Applicable ☐ N/A

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	Ratio of provision		Amount	%	Amount	Ratio of provision	
Allowance recognized	2,340,704.91	0.95%	2,340,704.91	100.00%	0.00	2,340,704.91	3.80%	2,340,704.91	100.00%	0.00

individually										
Incl.:										
Allowance recognized collectively	244,623,078.25	99.05%	19,429,161.35	7.94%	225,193,916.90	59,260,540.19	96.20%	13,423,877.80	22.65%	45,836,662.39
Incl.:										
Total	246,963,783.16	100.00%	21,769,866.26	8.82%	225,193,916.90	61,601,245.10	100.00%	15,764,582.71	25.59%	45,836,662.39

Other receivables with allowance for doubtful accounts recognized collectively by category name: Age

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	Ratio of provision
Within 1 year	230,232,286.33	11,511,614.38	5.00%
1-2 years	5,591,924.04	559,192.40	10.00%
2-3 years	2,881,026.62	1,440,513.31	50.00%
Over 3 years	5,917,841.26	5,917,841.26	100.00%
Total	244,623,078.25	19,429,161.35	

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

In RMB

Allowance for doubtful accounts	Stage I	Stage II	Stage III	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Balance at January 1, 2025	1,360,303.54	1,857,004.09	12,547,275.08	15,764,582.71
In the current period, the balance as at January 1, 2025				
- Transferred to stage II	-9,904.29	9,904.29		0.00
- Transferred to stage III		-10,500.00	10,500.00	0.00
Recognized	10,161,215.13	-1,297,215.98	-2,793,222.14	6,070,777.01
Reversed			65,493.46	65,493.46
Balance at June 30, 2025	11,511,614.38	559,192.40	9,699,059.48	21,769,866.26

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

In RMB

Company name	Nature of account	Closing balance	Age	% of the total closing balance of other receivables	Closing balance of allowance for doubtful accounts
--------------	-------------------	-----------------	-----	---	--

Company name	Nature of account	Closing balance	Age	% of the total closing balance of other receivables	Closing balance of allowance for doubtful accounts
Shanghai Lucun Enterprise Management Consulting Partnership (Limited Partnership)	Security deposit for investments	75,860,900.78	Within 1 year	30.72%	3,793,045.04
Shanghai Yucun Enterprise Management Consulting Partnership (Limited Partnership)	Security deposit for investments	44,939,190.92	Within 1 year	18.20%	2,246,959.55
Yicun Capital Co., Ltd.	Security deposit for investments	38,454,399.08	Within 1 year	15.57%	1,922,719.95
Shanghai Xiucheng Enterprise Management Consulting Partnership (Limited Partnership)	Security deposit for investments	27,093,179.94	Within 1 year	10.97%	1,354,659.00
Provincial Electricity Authority Ban Bueng	Security deposit	4,394,000.00	Within 1 year	1.78%	219,700.00
Total		190,741,670.72		77.23%	9,537,083.54

## 9. Advances to suppliers

### (1) Advances to suppliers by age

In RMB

Age	Closing balance		Opening balance	
	Amount	%	Amount	%
Within 1 year	197,027,780.68	98.16%	88,459,876.91	94.23%
1-2 years	1,458,881.67	0.73%	1,897,007.20	2.02%
2-3 years	650,426.93	0.32%	1,923,162.05	2.05%
Over 3 years	1,583,780.94	0.79%	1,595,419.53	1.70%
Total	200,720,870.22		93,875,465.69	

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

Company name	Book balance (RMB)	% of the total balance of advances to suppliers
V-Capital Zhigeng International Co., Limited	41,278,302.09	20.57%
Dong Yin Development (Holdings) Limited	31,427,854.95	15.66%
TR Capital (Source Photonics) Limited	26,824,572.63	13.36%
Fintrek China Industry Power Investment	18,026,110.32	8.98%
Nanfang Communication Holdings Limited	18,026,110.32	8.98%
Subtotal	135,582,950.31	67.55%

## 10. Inventories

Does the Company need to comply with the disclosure requirements for the real estate industry

No

### (1) Categories of inventories

In RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory provision or allowance for impairment of contract fulfilling costs	Carrying value	Book balance	Inventory provision or allowance for impairment of contract fulfilling costs	Carrying value
Raw materials	1,564,464,006.39	191,681,895.91	1,372,782,110.48	1,654,514,762.22	177,951,960.02	1,476,562,802.20
Work in progress	1,156,240,266.54	91,619,796.55	1,064,620,469.99	1,003,084,859.72	82,988,158.81	920,096,700.91
Goods on hand	4,465,070,655.16	495,725,180.39	3,969,345,474.77	4,503,260,856.05	749,742,579.85	3,753,518,276.20
Circulating materials	1,580,523.79		1,580,523.79	2,516,343.42	38,514.88	2,477,828.54
Total	7,187,355,451.88	779,026,872.85	6,408,328,579.03	7,163,376,821.41	1,010,721,213.56	6,152,655,607.85

### (2) Data resources recognized as inventories

In RMB

Item	Inventory of outsourced data resources	Inventory of self-built data resources	Inventory of data resources acquired by other means	Total
------	--	--	---	-------

### (3) Inventory provision or allowance for impairment of contract fulfilling costs

In RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Recognized	Others	Reversed or written off	Others	
Raw materials	177,951,960.02	36,908,629.01		23,178,693.12		191,681,895.91
Work in progress	82,988,158.81	20,287,196.23		11,655,558.49		91,619,796.55
Goods on hand	749,742,579.85	29,796,305.76		283,813,705.22		495,725,180.39
Circulating materials	38,514.88			38,514.88		
Total	1,010,721,213.56	86,992,131.00		318,686,471.71		779,026,872.85

Item	Basis for determining the net realizable value	Reason for reversing the inventory provision	Reason for writing off the inventory provision
------	--	--	--

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

### 13. Other current assets

In RMB

Item	Closing balance	Opening balance
Cost of returned goods receivable	23,249,420.91	28,122,898.55
Deductible input tax	729,193,533.00	743,118,926.80
Prepaid enterprise income tax	48,056,885.28	56,072,964.14
Deferred expenses and others	462,871,536.99	382,527,494.50
Total	1,263,371,376.18	1,209,842,283.99

### 16. Investment in other equity instruments

In RMB

Item	Opening balance	Income recognized in other comprehensive income in the current period	Loss recognized in other comprehensive income in the current period	Aggregate income recognized in other comprehensive income at the end of the current period	Aggregate loss recognized in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Closing balance	Reason for designation as at fair value through other comprehensive income
Jiangsu Bohua Equity Investment Partnership (L.P.)	200,000,000.00						200,000,000.00	
Hai Dixin Semiconductor (Nantong) Co., Ltd.	21,322,110.00						21,322,110.00	



Item	Opening balance	Income recognized in other comprehensive income in the current period	Loss recognized in other comprehensive income in the current period	Aggregate income recognized in other comprehensive income at the end of the current period	Aggregate loss recognized in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Closing balance	Reason for designation as at fair value through other comprehensive income
Kunshan Hostar Intelligence Technology Co., Ltd.	28,800,000.00						28,800,000.00	
Dyness Digital Energy Technology Co., Ltd.	50,000,000.00						50,000,000.00	
Shinwu Optronics (Suzhou) Co., Ltd.	22,035,000.00						22,035,000.00	
Jinan Moviebook Co., Ltd.	10,000,000.00						10,000,000.00	
Shenzhen Ruoyu Technology Co., Ltd.	1,500,000.00						1,500,000.00	
Total	333,657,110.00						333,657,110.00	

## Other information:

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

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

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

3) Hostar Intelligence Technology Co., Ltd. was established on April 2, 2011, with a registered capital of RMB42.66 million, in which the Company holds 3.038% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies, including procuring raw materials/equipment, and developing and strengthening market and sales teams, and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in February 2023.

(4) Dyness Digital Energy Technology Co., Ltd. was established on August 17, 2017, with a registered capital of RMB 112,023,809, in which the Company holds 1.7016% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in March 2023.

(5) Shinwu Optronics (Suzhou) Co., Ltd. was established on October 19, 2006, with a registered capital of RMB 57,754,000, in which the Company holds 1.7169% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in May 2023.

(6) Jinan Moviebook Co., Ltd. was established on September 6, 2019, with a registered capital of RMB 10,000,000, in which the Company holds 0.1995% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in October 2023.

7) Shenzhen Ruoyu Technology Co., Ltd. was established on April 13, 2023, with a registered capital of RMB 5,229,300, in which the Company holds 0.9678% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in January 2024.

## 17. Long-term receivables

### (1) Particulars of long-term receivables

Item	Closing balance			Opening balance			In RMB
	Book balance	Allowance for doubtful accounts	Carrying value	Book balance	Allowance for doubtful accounts	Carrying value	Range of discount rate
Security deposit for finance lease	30,000,000.00		30,000,000.00	30,000,000.00		30,000,000.00	
Total	30,000,000.00		30,000,000.00	30,000,000.00		30,000,000.00	

## 18. Long-term equity investments

In RMB

Investee	Opening balance (carrying value)	Opening balance of allowance for impairment loss	Changes in the current period								Closing balance (carrying value)	Closing balance of allowance for impairment loss
			Additional investment	Reduced investment	Investment income or loss under equity method	Adjustment to other comprehensive income	Other changes in equity	Declared cash dividends or profit distribution	Allowance for impairment loss	Others		
I. Joint ventures												
II. Associates												
Suzhou Toprun Electric Equipment Co., Ltd.	19,477,664.46	51,487,204.05			595,463.99						20,073,128.45	51,487,204.05
Shenzhen Nanfang Blog Technology Development Co., Ltd.		17,507,056.47										17,507,056.47
Shanghai Fu Shan Precision Manufacturing Co., Ltd.												
Suzhou LEGATE Intelligent Equipment Corp., Ltd.	22,647,067.59				-962,618.12						21,684,449.47	
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	3,316,472.49				-448,465.91						2,868,006.58	
Jiangsu Nangao Intelligent Equipment Innovation Center Co., Ltd.	3,442,835.16				-892,575.65						2,550,259.51	
Jiaozuo Songyang Optoelectric Technology Co., Ltd.	24,392,091.70				-1,434,466.66						22,957,625.04	
Suzhou Yongxin Jingshang Venture Capital Partnership (L.P.)	35,877,124.77				-303,293.85						35,573,830.92	
ISOTEK MICROWAVE LIMITED		8,539,424.61										8,539,424.61

BVF (BVI) Holding L.P.	27,734,283.16			34,428,780.00						6,694,496.84		
Shanghai Xinhuarui Semiconductor Technology Co., Ltd.	18,121,256.35				-627,940.36						17,493,315.99	
Subtotal	155,008,795.68	77,533,685.13		34,428,780.00	- 4,073,896.56		0.00		0.00	6,694,496.84	123,200,615.96	77,533,685.13
Total	155,008,795.68	77,533,685.13		34,428,780.00	- 4,073,896.56		0.00		0.00	6,694,496.84	123,200,615.96	77,533,685.13

## 20. Investment properties

### (1) Investment properties at cost

☒ Applicable ☐ N/A

In RMB

Item	Buildings and structures	Land use right	Construction in progress	Total
I. Original value				
1. Opening balance	5,309,132.17			5,309,132.17
2. Increase				
(1) Acquired				
(2) Transferred from inventories/ fixed assets/ construction in progress				
(3) Increased due to business combinations				
3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance	5,309,132.17			5,309,132.17
II. Accumulated depreciation and amortization				
1. Opening balance	4,528,003.07			4,528,003.07
2. Increase	127,934.34			127,934.34
(1) Recognized or amortized	127,934.34			127,934.34
3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance	4,655,937.41			4,655,937.41
III. Allowance for impairment loss				
1. Opening balance				
2. Increase				
(1) Recognized				
3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance				
IV. Carrying value				
1. Closing balance	653,194.76			653,194.76
2. Opening balance	781,129.10			781,129.10

## 21. Fixed assets

In RMB

Item	Closing balance	Opening balance
Fixed assets	15,127,797,700.57	13,595,191,232.40
Total	15,127,797,700.57	13,595,191,232.40

### (1) Particulars of fixed assets

In RMB

Item	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment and others	Total
I. Original value					
1. Opening balance	5,971,211,249.44	21,623,751,576.31	99,150,719.84	998,293,766.67	28,692,407,312.26
2. Increase	779,295,037.46	1,901,760,759.88	7,135,635.89	36,308,094.54	2,724,499,527.77
(1) Acquired		48,551,287.03	4,641,198.50	3,029,629.95	56,222,115.48
(2) Transferred from construction in progress	775,161,601.80	1,853,990,626.22	2,457,370.78	33,160,431.44	2,664,770,030.24
(3) Increased due to business combinations					
(4) Differences in translation of foreign currency financial statements	4,133,435.66	-781,153.37	37,066.61	118,033.15	3,507,382.05
3. Decrease	3,063,601.00	288,698,839.88	4,204,379.06	15,282,700.26	311,249,520.20
(1) Disposed or retired	3,063,601.00	288,698,839.88	4,204,379.06	15,282,700.26	311,249,520.20
4. Closing balance	6,747,442,685.90	23,236,813,496.31	102,081,976.67	1,019,319,160.95	31,105,657,319.83
II. Accumulated depreciation					
1. Opening balance	2,406,383,642.12	11,467,372,557.00	61,329,692.85	753,698,962.63	14,688,784,854.60
2. Increase	130,948,861.15	984,930,826.84	4,283,152.84	29,177,121.52	1,149,339,962.35
(1) Recognized	130,663,200.87	985,171,569.83	4,261,642.44	29,161,456.29	1,149,257,869.43
(2) Differences in translation of foreign currency financial statements	285,660.28	-240,742.99	21,510.39	15,665.23	82,092.92
3. Decrease	2,472,121.59	244,721,006.89	3,028,884.38	14,559,037.43	264,781,050.29
(1) Disposed or retired	2,472,121.59	244,721,006.89	3,028,884.38	14,559,037.43	264,781,050.29
4. Closing balance	2,534,860,381.68	12,207,582,376.95	62,583,961.31	768,317,046.72	15,573,343,766.66
III. Allowance for impairment loss					
1. Opening balance	4,570,236.72	402,994,252.96		866,735.58	408,431,225.26
2. Increase					
(1) Recognized					
3. Decrease		3,915,372.66			3,915,372.66
(1) Disposed or retired		3,915,372.66			3,915,372.66
4. Closing balance	4,570,236.72	399,078,880.30		866,735.58	404,515,852.60
IV. Carrying value					

1. Closing balance	4,208,012,067.50	10,630,152,239.06	39,498,015.36	250,135,378.65	15,127,797,700.57
2. Opening balance	3,560,257,370.60	9,753,384,766.35	37,821,026.99	243,728,068.46	13,595,191,232.40

**(2) Fixed assets whose property title certificates have not yet been obtained**

In RMB

Item	Carrying value	Reason for not obtaining the property title certificate
Factory buildings of Multek	17,028,482.99	Pending review

**22. Construction in progress**

In RMB

Item	Closing balance	Opening balance
Construction in progress	2,440,814,349.98	2,575,154,318.35
Total	2,440,814,349.98	2,575,154,318.35

**(1) Particulars of construction in progress**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Infrastructure construction of the factory for Multi-layer Circuit Board Co., Ltd.	1,273,074,593.03		1,273,074,593.03	1,228,168,131.58		1,228,168,131.58
IC substrate project of Chaowei Microelectronics (Yancheng) Co., Ltd.	1,189,500.00		1,189,500.00	10,009,858.49		10,009,858.49
Large-sized die-casting project of Yancheng Dongchuang	181,161,603.11		181,161,603.11	178,439,112.27		178,439,112.27
Kunshan new energy manufacturing base-related project	152,296,411.93		152,296,411.93	395,279,797.72		395,279,797.72
Mexico new energy manufacturing base-related project	48,535,899.71		48,535,899.71	7,184,449.96		7,184,449.96
MFLEX Yancheng Phase II project	158,163,871.98		158,163,871.98	125,744,191.31		125,744,191.31
MFLEX Suzhou Guoxiang Phase II and other production expansion projects	73,751,304.62		73,751,304.62	160,977,750.57		160,977,750.57
Installation	552,641,165.60		552,641,165.60	469,351,026.45		469,351,026.45

equipment in progress and others						
Total	2,440,814,349.98		2,440,814,349.98	2,575,154,318.35		2,575,154,318.35

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

In RMB

Item	Budget	Opening balance	Increase in the current period	Amount transferred to fixed assets	Other decreases	Closing balance	% of project costs to the budget	Progress	Aggregate amount of capitalized interest	Incl.: Capitalized interest this year	Rate of interest capitalization this year	Source of funds
Infrastructure construction of the factory for Multi-layer Circuit Board Co., Ltd.	1,875,000.00	1,220,700.18	653,625,000.00	601,250,588.39		1,273,074,593.03	100.00%	90.00%	1,546,813.42	1,205,512.00		Others
Kunshan new energy manufacturing base project	1,800,000.00	395,279,797.72	68,051,771.84	279,258,678.85	31,776,478.78	152,296,411.93	81.20%	81.20%	7,229,036.37			Others
Large-sized die-casting project of Yancheng Dongchuang	1,500,000.00	178,439,112.27	86,100,000.00	59,417,183.93	23,960,325.23	181,161,603.11	100.00%	95.00%	16,528,462.27	91,094.25		
Total	5,175,000.00	1,794,419,091.41	807,776,771.84	939,926,451.17	55,736,804.01	1,606,532,608.07			25,304,312.06	1,296,606.25		

## 25. Right-of-use assets

### (1) Particulars of right-of-use assets

In RMB

Item	Buildings and structures	Machinery and equipment	Transportation equipment	Land	Total
I. Original value					
1. Opening balance	1,513,376,667.44	30,676,878.28		93,200,186.63	1,637,253,732.35
2. Increase	18,183,852.73				18,183,852.73
1) Leased	15,336,823.65				15,336,823.65
2) Transferred from construction in progress					
3) Differences in translation of foreign currency financial statements	2,847,029.08				2,847,029.08
4) Increased due to business combinations					
3. Decrease	31,587,193.16				31,587,193.16



1) Disposed	31,587,193.16				31,587,193.16
2) Transferred to fixed assets					
4. Closing balance	1,499,973,327.01	30,676,878.28		93,200,186.63	1,623,850,391.92
II. Accumulated depreciation					
1. Opening balance	312,079,420.58	2,914,303.50		8,483,709.14	323,477,433.22
2. Increase	39,073,998.42	971,434.51		741,298.38	40,786,731.31
(1) Recognized	38,549,638.96	971,434.51		741,298.38	40,262,371.85
2) Differences in translation of foreign currency financial statements	524,359.46				524,359.46
3) Increased due to business combinations					
3. Decrease	31,587,193.16				31,587,193.16
(1) Disposed	31,587,193.16				31,587,193.16
2) Acquisition of assets under finance lease					
4. Closing balance	319,566,225.84	3,885,738.01		9,225,007.52	332,676,971.37
III. Allowance for impairment loss					
1. Opening balance					
2. Increase					
(1) Recognized					
3. Decrease					
(1) Disposed					
4. Closing balance					
IV. Carrying value					
1. Closing balance	1,180,407,101.17	26,791,140.27		83,975,179.11	1,291,173,420.55
2. Opening balance	1,201,297,246.86	27,762,574.78		84,716,477.49	1,313,776,299.13

## 26. Intangible assets

### (1) Particulars of intangible assets

In RMB

Item	Land use right	Patent	Unpatented technology	Software	Trademarks and patents	Development expenses	Customer resources	Total
I. Original value								
1. Opening balance	775,959,155.42			411,964,161.42	154,881,057.21	6,733,029.45	207,803,629.23	1,557,341,032.73
2.	3,787,072.46			20,969,307.84	-1,490.03			24,754,890.26

Increase								
(1) ) Acquired				1,224,851.37				1,224,851.37
(2) ) Internal R&D								
(3) ) Increased due to business combinations								
(4) Differences in translation of foreign currency financial statements	3,787,072.46			-32,078.77	-1,490.03			3,753,503.66
(5) Transferred from construction in progress	0.00			19,776,535.23				19,776,535.23
(6) Transferred from inventories								
3. Decrease				11,760,311.35				11,760,311.35
(1) ) Disposed				11,760,311.35				11,760,311.35
4. Closing balance	779,746,227.88			421,173,157.91	154,879,567.18	6,733,029.45	207,803,629.23	1,570,335,611.64
II. Accumulated amortization								
1. Opening balance	110,389,681.79			322,949,202.16	114,845,957.06	6,733,029.45	39,829,028.93	594,746,899.39
2. Increase	8,081,929.96			27,451,667.78	7,679,797.60	0.00	10,390,181.46	53,603,576.80
(1) ) Recognized	8,081,929.96			27,546,315.63	7,889,644.30		10,390,181.46	53,908,071.35
2) Increased due to business combinations								

3) Differences in translation of foreign currency financial statements				-94,647.86	-209,846.70			-304,494.55
3. Decrease				11,696,218.5 5				11,696,218.55
(1 ) Disposed				11,696,218.5 5				11,696,218.55
4. Closing balance	118,471,611. 75			338,704,651. 39	122,525,754. 67	6,733,029. 45	50,219,210.3 9	636,654,257.6 4
III. Allowance for impairment loss								
1. Opening balance								
2. Increase								
(1 ) Recognized								
3. Decrease								
(1 ) Disposed								
4. Closing balance								
IV. Carrying value								
1. Closing balance	661,274,616. 13			82,468,506.5 2	32,353,812.5 1		157,584,418. 84	933,681,354.0 0
2. Opening balance	665,569,473. 63			89,014,959.2 6	40,035,100.1 5		167,974,600. 30	962,594,133.3 4

## 27. Goodwill

### (1) Original value of goodwill

In RMB

Investee or event giving rise to goodwill	Opening balance	Increase of the current period		Decrease of the current period		Closing balance
		Arising from business combination		Disposed		
MFLEX	1,770,752,915.84					1,770,752,915.84
Multek	179,329,062.90					179,329,062.90
Mutto Optronics Technology Co., Ltd.	153,957,647.78					153,957,647.78
Suzhou RF Top Electronic Communication Co., Ltd.	135,001,580.53					135,001,580.53
Aranda asset group	50,502,380.96					50,502,380.96
Total	2,289,543,588.01					2,289,543,588.01

### (2) Allowance for impairment of goodwill

In RMB

Investee or event giving rise to goodwill	Opening balance	Increase of the current period		Decrease of the current period		Closing balance
		Recognized	Others	Disposed	Others	
Mutto Optronics Technology Co., Ltd.	115,869,337.30					115,869,337.30
Suzhou RF Top Electronic Communication Co., Ltd.	45,697,934.17					45,697,934.17
Aranda	8,364,096.07	2,181,938.11				10,546,034.18
Total	169,931,367.54	2,181,938.11				172,113,305.65

## 28. Long-term deferred expenses

In RMB

Item	Opening balance	Increase in the current period	Amortization	Other decreases	Closing balance
Decoration costs of fixed assets and others	903,599,713.89	131,747,109.42	137,179,890.99		898,166,932.32
Total	903,599,713.89	131,747,109.42	137,179,890.99		898,166,932.32

## 29. Deferred tax assets/deferred tax liabilities

### (1) Deferred tax assets not offset

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets

Allowance for impairment of assets	1,155,006,810.95	181,826,515.01	1,324,692,293.90	205,243,454.52
Deductible losses	2,498,816,122.90	390,997,797.38	2,300,687,978.39	362,521,218.64
Difference in depreciation of fixed assets	68,003,312.54	16,596,518.87	56,738,475.07	13,329,567.82
Lease liabilities	1,525,373,381.98	244,497,468.07	1,425,266,733.21	229,432,313.12
Unrealized gains/losses from inter-company transactions	208,579,495.67	43,674,310.77	276,240,960.60	57,088,993.26
Change in the fair value of financial instruments	5,269,420.00	1,317,355.00	9,096,191.75	1,953,655.94
Deferred income	633,117,334.21	102,172,643.62	522,365,262.99	85,669,295.35
Accrued expenses	677,931,859.60	63,708,911.34	698,231,909.28	112,291,672.83
Total	6,464,197,282.65	1,044,791,520.06	6,613,319,805.19	1,067,530,171.48

**(2) Deferred tax liabilities not offset**

In RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
One-off deduction of depreciation of fixed assets	2,496,862,543.43	535,258,142.35	2,569,191,598.13	523,588,207.16
Accrued interest income and others	77,263,857.62	16,246,088.90	89,930,966.31	19,085,788.45
Right-of-use assets	1,327,235,365.51	212,829,826.28	1,403,935,934.81	241,292,708.42
Income tax payable due to increase in appraised value	335,063,194.43	76,207,388.46	351,178,186.24	79,872,611.80
Total	4,236,424,960.99	840,541,445.99	4,414,236,685.49	863,839,315.83

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

In RMB

Item	Closing offset amount of deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offset	Opening offset amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets	212,952,559.99	831,838,960.07	233,079,559.40	834,450,612.08
Deferred tax liabilities	212,952,559.99	627,588,885.99	233,079,559.40	630,759,756.43

**(4) Unrecognized deferred tax assets**

In RMB

Item	Closing balance	Opening balance
Deductible temporary differences	456,888,418.24	660,868,902.87
Deductible losses	871,178,092.69	701,671,666.45
Total	1,328,066,510.93	1,362,540,569.32

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

In RMB

Year	Closing balance	Opening balance	Remark
2025	100,804,003.97	100,804,003.97	
2026	39,377,012.01	39,377,012.01	
2027	265,972,000.92	265,972,000.92	
2028	24,218,073.84	24,218,073.84	
2029	271,300,575.71	271,300,575.71	
2030	169,506,426.24		
Total	871,178,092.69	701,671,666.45	

### 30. Other non-current assets

In RMB

Item	Closing balance			Opening balance		
	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Deferred income – unrealized gain or loss on sale and leaseback	16,101,914.52		16,101,914.52	19,414,150.16		19,414,150.16
Prepayment for projects and equipment	544,336,942.56		544,336,942.56	493,140,601.21		493,140,601.21
Total	560,438,857.08		560,438,857.08	512,554,751.37		512,554,751.37

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

In RMB

Item	Closing balance				Opening balance			
	Book balance	Carrying value	Type of restriction	Reason of restriction	Book balance	Carrying value	Type of restriction	Reason of restriction
Cash and bank balances	1,311,394,704.02	1,311,394,704.02	Pledge	Security deposit for notes, etc.	1,828,730,869.92	1,828,730,869.92	Pledge	Security deposit for notes, etc.
Fixed assets					690,336,250.99	190,880,378.32	Mortgage	Security for loans, sales and leaseback
Accounts receivable	130,000,000.00	130,000,000.00	Pledge	Factoring	90,000,000.00	90,000,000.00	Pledge	Factoring
Accounts receivable financing	51,194,067.17	51,194,067.17	Pledge	Pledge of notes	47,745,743.70	47,745,743.70	Pledge	Pledge of notes
Right-of-use assets	1,623,850,391.92	1,291,173,420.55	Mortgage	Finance lease	1,582,499,405.56	1,258,999,636.74	Mortgage	Finance lease
Total	3,116,439,163.11	2,783,762,191.74			4,239,312,270.17	3,416,356,628.68		

**32. Short-term borrowings****(1) Short-term borrowings by category**

In RMB

Item	Closing balance	Opening balance
Credit loans	4,661,275,581.96	3,857,114,689.19
Discounting and factoring of notes, letters of credit and accounts receivable	1,138,127,726.60	953,839,441.50
Total	5,799,403,308.56	4,810,954,130.69

**33. Financial liabilities held for trading**

In RMB

Item	Closing balance	Opening balance
Financial liabilities held for trading	71,586,000.00	82,922,390.17
Incl.:		
Derivative financial liabilities	71,586,000.00	82,922,390.17
Incl.:		
Total	71,586,000.00	82,922,390.17

**35. Notes payable**

In RMB

Category	Closing balance	Opening balance
Commercial acceptance bills	77,661,962.71	10,677,710.87
Banker's acceptance bills	856,968,183.37	924,903,561.63
Total	934,630,146.08	935,581,272.50

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

In RMB

Item	Closing balance	Opening balance
Payment for materials	6,031,733,001.88	6,934,434,355.01
Payment for projects and equipment	2,570,853,408.93	2,235,670,994.79
Others	479,765,837.90	489,163,640.63
Total	9,082,352,248.71	9,659,268,990.43

**37. Other payables**

In RMB

Item	Closing balance	Opening balance
Other payables	96,940,026.12	94,163,223.90
Total	96,940,026.12	94,163,223.90

**(3) Other payables****1) Other payables by nature**

In RMB

Item	Closing balance	Opening balance
Temporary receipts payable	55,152,281.25	54,101,772.81
Others	41,787,744.87	40,061,451.09
Total	96,940,026.12	94,163,223.90

**39. Contract liabilities**

In RMB

Item	Closing balance	Opening balance
Payment for goods	172,934,050.12	122,562,435.14
Total	172,934,050.12	122,562,435.14

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

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
I. Short-term benefits	578,999,821.65	2,227,673,351.14	2,379,047,845.18	427,625,327.61
II. Post-employment benefits – defined contribution plans	15,291,550.45	159,426,681.36	156,735,164.47	17,983,067.34
III. Termination benefits	3,281,714.92	3,765,663.25	6,615,863.22	431,514.95
Total	597,573,087.02	2,390,865,695.75	2,542,398,872.87	446,039,909.90

**(2) Short-term employee benefits**

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
1. Wages, bonuses, allowances and subsidies	566,785,511.31	1,935,416,158.89	2,081,588,193.69	420,613,476.51
2. Staff welfare		103,265,715.69	103,265,715.69	



3. Social insurance contributions	7,520,834.55	65,027,653.26	68,881,115.88	3,667,371.93
4. Workers' compensation insurance	410,769.36	4,803,489.82	4,941,028.14	273,231.04
5. Medical and maternity insurance	7,110,065.19	60,224,163.44	63,940,087.74	3,394,140.89
6. Housing provident fund	2,837,418.06	119,551,753.58	120,774,839.31	1,614,332.33
7. Trade union fund and employee education fund	1,856,057.73	4,412,069.72	4,537,980.61	1,730,146.84
Total	578,999,821.65	2,227,673,351.14	2,379,047,845.18	427,625,327.61

### (3) Defined contribution plans

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
1. Basic pension insurance	14,661,431.85	153,562,124.48	150,910,218.26	17,313,338.07
2. Unemployment insurance	630,118.60	5,864,556.88	5,824,946.21	669,729.27
Total	15,291,550.45	159,426,681.36	156,735,164.47	17,983,067.34

### 41. Taxes payable

In RMB

Item	Closing balance	Opening balance
Value-added tax	4,163,790.76	20,674,711.21
Enterprise income tax	281,944,315.43	342,390,303.11
Individual income tax	9,101,590.50	9,277,024.93
Urban maintenance and construction tax	3,757,888.89	4,101,006.65
Property tax	10,130,006.87	7,364,518.95
Stamp duty	4,779,267.60	5,657,390.62
Education surcharge	1,632,642.07	1,878,074.57
Land use tax	457,598.42	367,722.10
Local education surcharge	1,091,242.98	1,252,049.72
Other taxes	2,388,533.95	2,809,325.90
Total	319,446,877.47	395,772,127.76

### 43. Non-current liabilities due within one year

In RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	2,355,931,635.64	2,327,145,419.12
Lease liabilities due within one year	137,320,782.66	131,841,882.24
Total	2,493,252,418.30	2,458,987,301.36

**44. Other current liabilities**

In RMB

Item	Closing balance	Opening balance
Output tax to be recognized	3,133,052.29	5,190,838.21
Total	3,133,052.29	5,190,838.21

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

In RMB

Item	Closing balance	Opening balance
Pledge loans	438,290,766.67	714,721,945.32
Credit loans	4,216,735,296.23	4,470,332,834.45
Mortgage and guaranteed loans	50,056,250.00	104,133,111.56
Total	4,705,082,312.90	5,289,187,891.33

**47. Lease liabilities**

In RMB

Item	Closing balance	Opening balance
Lease obligations payable	1,444,540,952.70	1,456,822,089.69
Less: Unrecognized financing costs	-56,488,353.38	-105,303,252.51
Total	1,388,052,599.32	1,351,518,837.18

**48. Long-term payables**

In RMB

Item	Closing balance	Opening balance
Long-term payables	27,754,051.05	49,434,786.31
Total	27,754,051.05	49,434,786.31

**(1) Long-term payables by nature**

In RMB

Item	Closing balance	Opening balance
Share purchase price	27,754,051.05	49,434,786.31

**50. Provisions**

In RMB

Item	Closing balance	Opening balance	Reason for formation
Product warranty	15,907,892.68	30,534,014.56	
Provision for sales return	23,570,994.49	27,724,858.36	
Total	39,478,887.17	58,258,872.92	

### 51. Deferred income

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance	Reason for formation
Government grants	585,933,889.89	270,238,750.00	107,132,163.18	749,040,476.71	Government grants
Total	585,933,889.89	270,238,750.00	107,132,163.18	749,040,476.71	

### 53. Share capital

In RMB

	Opening balance	Change (+/-)					Closing balance
		New shares	Bonus shares	Capitalization of capital reserves	Others	Subtotal	
Total shares	1,705,913,710.00	125,693,822.00				125,693,822.00	1,831,607,532.00

Other information: With the approval of Shenzhen Stock Exchange and CSRC, the 125,693,822 RMB-denominated ordinary shares issued by the Company at the issuance price of RMB 11.17 per share were listed on Shenzhen Stock Exchange on June 27, 2025; after the issuance, the total shares of the Company increased from 1,705,913,710 shares to 1,831,607,532 shares.

### 55. Capital reserve

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Capital premium (share premium)	7,850,787,182.40	1,265,818,722.73		9,116,605,905.13
Other capital reserve	141,497,253.43			141,497,253.43
Total	7,992,284,435.83	1,265,818,722.73		9,258,103,158.56

Other information (including a description of the change in the current period and the reasons for the change): The change in the capital reserve in the current period is the capital premium arising from the new issuance of shares by the Company.

### 56. Treasury shares

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Treasury shares	74,991,696.79	100,084,437.00		175,076,133.79
Total	74,991,696.79	100,084,437.00		175,076,133.79

Other information: On April 9, 2025, we held the 18<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors, at which the *Proposal on Repurchase of the Company's Shares* was deliberated and approved, agreeing to use raised funds or other lawful funds to repurchase the RMB-

denominated ordinary shares (A-shares) issued by the Company through the Shenzhen Stock Exchange by aggregate auction for the purpose of employee stock ownership plans or equity incentives. The total repurchase funds shall range from RMB 100 million (inclusive) to RMB 200 million (inclusive), and the repurchase price shall not exceed RMB 48.78 per share. As of May 6, 2025, this share repurchase plans has been fully implemented, under which we have repurchased a total of 4.2022 million shares of the Company, accounting for 0.2463% of the Company's total share capital, where the highest trading price was RMB 25.95 per share, the lowest trading price was RMB 23.27 per share, and the total transaction amount was RMB 100.0844 million (excluding transaction fees). The above-mentioned share repurchase complies with the provisions of laws and regulations and our share repurchase plan.

## 57. Other comprehensive income

In RMB

Item	Opening balance	Amount of the current period						Closing balance
		Amount before tax	Less: Other comprehensive income reclassified to profit or loss	Less: Other comprehensive income reclassified to retained earnings	Less: Income tax expenses	Amount attributable to the parent after tax	Amount attributable to minor interest after tax	
II. Other comprehensive income that will be reclassified to profit or loss	-317,104,374.08	111,503,228.29	-5,553,254.12		4,359,135.53	112,697,346.88		-204,407,027.20
Reserves for cash flow hedge	-4,428,972.92	19,359,276.79	-5,553,254.12		4,359,135.53	20,553,395.38		16,124,422.46
Differences in the translation of foreign currency financial statements	-312,675,401.16	92,143,951.50				92,143,951.50		-220,531,449.66
Total other comprehensive income	-317,104,374.08	111,503,228.29	-5,553,254.12		4,359,135.53	112,697,346.88		-204,407,027.20

## 59. Surplus reserve

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Statutory surplus reserve	232,241,216.54			232,241,216.54
Total	232,241,216.54			232,241,216.54

**60. Retained profits**

In RMB

Item	Current period	Previous period
Balance of retained profits at the end of the previous period before adjustment	9,288,043,977.88	9,025,095,529.05
Opening balance of retained profits after adjustment	9,288,043,977.88	9,025,095,529.05
Add: Net profit attributable to owners of the parent	758,005,980.61	1,085,641,847.89
Less: Appropriation to statutory surplus reserve		47,374,346.81
Dividends payable to the ordinary shareholders	118,795,180.63	425,319,052.25
Transfer of other comprehensive income to retained earnings		350,000,000.00
Closing balance of retained profits	9,927,254,777.86	9,288,043,977.88

**61. Operating revenue and operating costs**

In RMB

Item	Amount of the current period		Amount of the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	16,756,004,204.58	14,521,655,805.67	16,521,772,107.69	14,408,130,744.18
Other businesses	199,159,694.31	128,843,430.23	106,814,087.87	47,564,313.33
Total	16,955,163,898.89	14,650,499,235.90	16,628,586,195.56	14,455,695,057.51

**62. Taxes and surcharges**

In RMB

Item	Amount of the current period	Amount of the previous period
Urban maintenance and construction tax	18,294,832.19	39,773,020.05
Education surcharge	8,129,157.99	17,685,634.63
Property tax	19,592,855.42	15,390,414.84
Land use tax	809,767.30	957,701.07
Vehicle and vessel tax	911,806.51	837,678.42
Stamp duty	10,463,237.65	10,533,280.44
Environmental protection tax	104,860.32	346,386.74
Local education surcharge	5,419,438.62	11,790,423.12
Total	63,725,956.00	97,314,539.31

**63. Administrative expenses**

In RMB

Item	Amount of the current period	Amount of the previous period
Employee benefits	279,943,684.74	280,930,019.51
Depreciation and amortization	85,690,889.77	78,433,107.26
Consulting service fees	54,212,094.87	35,623,428.59
Office expenses	12,439,068.14	17,832,051.29
Business entertainment expenses	24,124,672.26	22,812,086.03

Travel expenses	11,634,664.08	8,598,359.09
Rents	4,656,698.12	5,215,929.06
Repair costs	14,159,167.98	12,620,656.93
Taxes	1,390,536.14	1,039,457.29
Others	59,310,463.39	50,826,923.33
<b>Total</b>	<b>547,561,939.49</b>	<b>513,932,018.38</b>

#### 64. Selling expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Employee benefits	101,851,337.61	108,354,693.68
Sales service fees	26,670,103.77	34,177,964.33
Export charges	10,789,463.58	12,199,315.29
Travel expenses	6,471,965.00	6,760,920.66
Business entertainment expenses	10,534,099.66	10,223,544.60
Others	1,625,635.45	26,744,973.09
<b>Total</b>	<b>157,942,605.07</b>	<b>198,461,411.65</b>

#### 65. R&D expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Materials requisitioned	250,520,190.78	284,790,576.60
Labor costs	261,695,815.23	267,132,170.20
Depreciation	45,720,954.81	45,587,062.83
Others	23,530,506.11	24,713,799.36
<b>Total</b>	<b>581,467,466.93</b>	<b>622,223,608.99</b>

#### 66. Financial expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Interest expenses	159,944,331.53	193,330,353.30
Interest on leases and financing service fees	38,641,393.51	36,422,307.24
Less: Interest income	113,967,483.54	141,164,259.09
Add: Exchange loss	-64,646,445.89	-125,881,081.93
Bank charges and others	9,575,162.86	9,751,760.34
<b>Total</b>	<b>29,546,958.47</b>	<b>-27,540,920.14</b>

#### 67. Other income

In RMB

Sources of other income	Amount of the current period	Amount of the previous period
-------------------------	------------------------------	-------------------------------

Government grants related to assets	107,132,163.18	79,531,306.68
Government grants related to income	29,188,043.87	66,248,136.43
Value-added tax credits		24,380,280.26
Tax preferences	3,613,741.39	5,260,420.66
Refund of individual income tax withholding service fees	1,384,264.19	991,704.86

## 69. Gain on changes in fair value

In RMB

Source of gain on changes in fair value	Amount of the current period	Amount of the previous period
Financial assets held for trading	2,536,226.77	-15,065,635.92
Total	2,536,226.77	-15,065,635.92

## 70. Investment income

In RMB

Item	Amount of the current period	Amount of the previous period
Income from long-term equity investments under the equity method	-4,073,896.56	-4,311,831.51
Investment income from the disposal of long-term equity investments	-4,851,794.93	
Investment income from the disposal of financial assets held for trading	3,056,572.49	-43,948,067.47
Income from debt restructuring		2,062,881.90
Discount loss on accounts receivable financing	-832,884.08	-3,082,914.57
Income from bank wealth management products		855,961.44
Total	-6,702,003.08	-48,423,970.21

## 71. Credit impairment loss

In RMB

Item	Amount of the current period	Amount of the previous period
Loss from doubtful accounts	3,764,627.53	-57,244,335.30
Total	3,764,627.53	-57,244,335.30

## 72. Impairment loss on assets

In RMB

Item	Amount of the current period	Amount of the previous period
I. Impairment of inventories and contract fulfilling costs	-86,992,131.00	-105,585,722.55
X. Impairment of goodwill	-2,181,938.11	
Total	-89,174,069.11	-105,585,722.55

**73. Gain on disposal of assets**

In RMB

Source of gain on disposal of assets	Amount of the current period	Amount of the previous period
Gain on disposal of fixed assets	-14,963,024.24	-34,905,446.22

**74. Non-operating revenue**

In RMB

Item	Amount of the current period	Amount of the previous period	Amount recognized in non-recurring gain or loss
Penalties	3,293,920.92	3,574,668.97	3,293,920.92
Amounts that cannot be paid	340,357.93	384,586.86	340,357.93
Others	1,985,161.51	1,023,803.86	1,985,161.51
Total	5,619,440.36	4,983,059.69	5,619,440.36

**75. Non-operating expenses**

In RMB

Item	Amount of the current period	Amount of the previous period	Amount recognized in non-recurring gain or loss
Donations	3,915,500.00	2,032,060.00	3,915,500.00
Loss on destruction and retirement of non-current assets	2,052,158.56	1,313,816.79	2,052,158.56
Penalties, overdue fines and liquidated damages		121,263.86	0.00
Others	358,831.72	2,104,408.20	358,831.72
Total	6,326,490.28	5,571,548.85	6,326,490.28

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

In RMB

Item	Amount of the current period	Amount of the previous period
Income tax expense	198,134,719.03	47,382,680.04
Deferred income tax expenses	3,799,917.10	76,792,036.62
Total	201,934,636.13	124,174,716.66

**(2) Reconciliation of income tax expenses to accounting profit**

In RMB

Item	Amount of the current period
Total profit	960,492,657.61
Income tax expenses	201,934,636.13



**77. Other comprehensive income**

See Notes to the Financial Statements.

**78. Items of the cash flow statement****(1) Cash flows related to operating activities**

Other cash receipts related to operating activities:

In RMB

Item	Amount of the current period	Amount of the previous period
Security deposit for acceptance bills	212,576,032.68	292,804,080.02
Government grants	300,850,136.02	75,652,600.37
Interest income	113,967,483.54	141,164,259.09
Temporary receipts payable and others	21,495,008.51	82,870,034.31
Total	648,888,660.75	592,490,973.79

Other cash payments related to operating activities

In RMB

Item	Amount of the current period	Amount of the previous period
Security deposit for acceptance bills	339,221,569.24	450,511,403.51
Selling expenses and administrative expenses in cash	331,549,138.55	346,654,910.34
Bank charges	9,575,162.86	9,751,760.34
Temporary payment receivable and others	20,760,201.07	20,705,500.14
Total	701,106,071.72	827,623,574.33

**(2) Cash flows related to investing activities**

Other cash receipts related to investing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Recovery of term deposits	777,215,212.80	419,424,782.41
Other security deposits	16,439,072.04	
Total	793,654,284.84	419,424,782.41

Other cash payments related to investing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Term deposits	300,592,706.53	530,962,815.64
Security deposit for the acquisition	237,313,781.32	
Payment of remaining acquisition amount		
Others	46,449,602.24	
Total	584,356,090.09	530,962,815.64

**(3) Cash flows related to financing activities**

Other cash receipts related to financing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Proceeds from discounts on acceptance bills and letters of credit	730,151,717.04	329,197,076.44
Total	730,151,717.04	329,197,076.44

Other cash payments related to financing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Security deposits	900,000.00	193,427,617.44
Payment of rents	11,405,753.18	93,422,168.32
Payments under bill financing	341,000,000.00	511,413,491.20
Repurchase of treasury shares	100,100,000.00	25,000,846.30
Total	453,405,753.18	823,264,123.26

**79. Supplementary information to the cash flow statement****(1) Supplementary information to the cash flow statement**

In RMB

Supplementary information	Amount of the current period	Amount of the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	758,558,021.48	558,924,012.73
Add: Allowance for impairment of assets	85,409,441.58	106,066,217.85
Depreciation of fixed assets, oil and gas assets, and productive biological assets	1,149,385,803.77	999,264,228.33
Depreciation of right-of-use assets	40,262,371.85	40,529,013.96
Amortization of intangible assets	53,908,071.35	48,441,737.48
Amortization of long-term deferred expenses	137,179,890.99	117,420,434.00
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with “-”)	14,963,024.24	34,905,446.22
Loss on retirement of fixed assets (gain expressed with “-”)	2,052,158.56	1,313,816.79
Loss on changes in fair value (gain expressed with “-”)	-2,536,226.77	1,821,721.89
Financial expenses (income expressed with “-”)	133,939,279.15	103,871,578.61
Investment loss (income expressed with “-”)	5,869,119.00	61,667,884.24
Decrease in deferred tax assets (increase expressed with “-”)	6,970,787.54	-50,266,107.56
Increase in deferred tax liabilities (decrease expressed with “-”)	-3,170,870.44	133,638,436.31
Decrease in inventories (increase expressed with “-”)	-342,665,102.19	103,490,060.63
Decrease in operating receivables (increase expressed with “-”)	659,746,673.69	273,447,550.24
Increase in operating payables (decrease expressed with “-”)	-199,754,422.52	-445,566,632.44
Others		
Net cash flows from operating activities	2,500,118,021.28	2,088,969,399.28
2. Significant investing and financing activities not involving cash receipts and payments:		

Debt-to-capital swap		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	7,416,577,706.75	6,051,354,094.24
Less: Opening balance of cash	5,343,600,382.37	5,644,487,018.31
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	2,072,977,324.38	406,867,075.93

#### (4) Components of cash and cash equivalents

In RMB

Item	Closing balance	Opening balance
I. Cash	7,416,577,706.75	5,343,600,382.37
Incl.: Cash on hand	200,624.49	266,540.67
Bank deposits immediately available for withdrawal	7,416,377,082.26	5,343,333,841.70
III. Closing balance of cash and cash equivalents	7,416,577,706.75	5,343,600,382.37

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

In RMB

Item	Amount of the current period	Amount of the previous period	Reason for presentation as cash and cash equivalents
Offering proceeds	597,707,560.19		Immediately available for withdrawal despite of restriction on use
Total	597,707,560.19		

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

In RMB

Item	Amount of the current period	Amount of the previous period	Reason for not classified as cash and cash equivalents
Security deposit for term deposits	839,130,210.74	1,325,308,422.77	May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for bills	302,439,749.22	368,078,334.92	May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for the acquisition	50,110,200.00		May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for letters of credit	31,555,751.40	39,986,159.48	May be unavailable for payment due to pledge, freeze or otherwise
Security deposit for letters of guarantee	87,905,148.67	91,083,897.01	May be unavailable for payment due to pledge, freeze or otherwise
Future security deposit etc.	253,643.99	4,274,055.74	May be unavailable for payment due to pledge, freeze or otherwise
Total	1,311,394,704.02	1,828,730,869.92	

**80. Notes to items of the statement of changes in owners' equity**

Titles of items under "others" whose balance at the end of the previous year was adjusted and amount of adjustment:

**81. Monetary items denominated in foreign currencies****(1) Monetary items denominated in foreign currencies**

In RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			4,874,997,961.09
Incl.: USD	669,817,294.77	7.1586	4,794,954,086.34
EUR	412,281.56	8.4024	3,464,154.58
HKD	1,807,819.90	0.91195	1,648,641.36
SGD	508,748.45	5.6179	2,858,097.92
NTD	278,871.00	0.2468	68,825.36
JPY	70,216,409.99	0.049594	3,482,312.64
MXN	130,800,206.10	0.3809	49,821,798.50
THB	85,116,269.42	0.2197	18,700,044.39
Accounts receivable			4,131,313,579.91
Incl.: USD	577,077,622.96	7.1586	4,131,067,871.72
EUR	29,242.62	8.4024	245,708.19
HKD		0.91195	
Long-term borrowings			
Incl.: USD		7.1586	
EUR		8.4024	
HKD		0.91195	
Other receivables			20,808,219.78
Incl.: USD	1,819,180.46	7.1586	13,022,785.24
NTD	30,989.35	0.2468	7,648.17
MXN	6,458,638.84	0.3809	2,460,095.54
THB	24,204,327.95	0.2197	5,317,690.85
Short-term borrowings			1,072,314,700.00
Incl.: USD	114,500,000.00	7.1586	819,659,700.00
THB	1,150,000,000.00	0.2197	252,655,000.00
Accounts payable			4,217,611,998.82
Incl.: USD	487,412,461.51	7.1586	3,489,190,846.97
EUR	2,504,254.39	8.4024	21,041,747.09
JPY	1,076,798,659.00	0.049594	53,402,752.69
SEK	2,650.00	0.7568	2,005.52
THB	2,947,538,163.44	0.2197	647,574,134.51
MXN	16,803,654.54	0.3809	6,400,512.01
Other payables			25,002,326.77
Incl.: USD	3,145,739.45	7.1586	22,519,090.44
JPY	650,461.00	0.049594	32,258.96
MXN	235,017.82	0.3809	89,518.29
THB	10,748,562.06	0.2197	2,361,459.09
Non-current liabilities due within one year'			2,625,950.80

Incl.: USD	366,824.63	7.1586	2,625,950.80
------------	------------	--------	--------------

## 82. Leases

### (2) The Company as the lessor

The Company as lessor under operating leases

☒ Applicable ☐ N/A

In RMB

Item	Rental income	Incl.: Income related to variable lease payments not included in lease receipts
Rental income	540,548.43	
Total	540,548.43	

## VIII. Research and Development Expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Direct costs	250,520,190.78	284,790,576.60
Labor costs	261,695,815.23	267,132,170.20
Depreciation	45,720,954.81	45,587,062.83
Others	23,530,506.11	24,713,799.36
Total	581,467,466.93	622,223,608.99

## IX. Changes in the Scope of Consolidation

## X. Interests in Other Entities

### 1. Interests in subsidiaries

#### (1) Composition of the enterprise group

In RMB

Subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage		Method of acquisition
				Direct	Indirect	
Suzhou Yongchuang Communication Technology Co., Ltd.	Suzhou	Suzhou	Manufacturing	100.00%		Business combinations involving entities under common control
Suzhou Dongkui Lighting Co., Ltd.	Suzhou	Suzhou	Manufacturing	100.00%		Established
Suzhou Chengjia Precision Manufacturing Co., Ltd.	Suzhou	Suzhou	Manufacturing	100.00%		Established
Dongguan Dongshan Precision Manufacturing Co., Ltd.	Dongguan	Dongguan	Manufacturing	95.00%	5.00%	Established
Yancheng Dongshan Precision Manufacturing Co., Ltd.	Yancheng	Yancheng	Manufacturing	95.00%	5.00%	Established
Suzhou Jebson Intelligent Technology Co., Ltd.	Suzhou	Suzhou	Manufacturing	51.00%		Established
Suzhou Dongdai Electronic Technology Co., Ltd.	Suzhou	Suzhou	Manufacturing	51.00%		Established
Yancheng Dongshan Business Management Co., Ltd.	Yancheng	Yancheng	Property management	95.00%	5.00%	Established
Yancheng Dongshan Communication Technology Co., Ltd.	Yancheng	Yancheng	Manufacturing	100.00%		Established
Shanghai Chengjia Consulting Management Co., Ltd.	Shanghai	Shanghai	Business & investment	100.00%		Established

Subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage		Method of acquisition
				Direct	Indirect	
Yancheng Mutto Optronics Technology Co., Ltd.	Yancheng	Yancheng	Manufacturing		100.00%	Established
MFLEX Yancheng Co., Ltd.	Yancheng	Yancheng	Manufacturing		100.00%	Established
MFLEX Suzhou Co., Ltd.	Suzhou	Suzhou	Manufacturing		100.00%	Business combinations involving entities not under common control
MFLEX Chengdu Co., Ltd.	Chengdu	Chengdu	Manufacturing		100.00%	Business combinations involving entities not under common control
Suzhou RF Top Electronic Communication Co., Ltd.	Suzhou	Suzhou	Manufacturing	93.51%		Business combinations involving entities not under common control
Mutto Optronics Technology Co., Ltd.	Suzhou	Suzhou	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek Technology (Zhuhai) Co., Ltd.	Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek Electronics Limited	Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek Industries Limited	Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under common control
Multek China Limited	Zhuhai	Zhuhai	Manufacturing		100.00%	Business combinations involving entities not under common control
Zhuhai Multek Business Management Co., Ltd.	Zhuhai	Zhuhai	Business & investment		100.00%	Established
MFLEX Shanghai Co., Ltd.	Shanghai	Shanghai	Wholesale	100.00%		Established
Shenzhen Qindao Dongchuang Investment Partnership (L.P.)	Shenzhen	Shenzhen	Business & investment	76.92%		Established
Suzhou Dongke Enterprise Management Co., Ltd.	Suzhou	Suzhou	Enterprise management	100.00%		Established
Yancheng Dongchuang Precision Manufacturing Co., Ltd.	Yancheng	Yancheng	Manufacturing	100.00%		Established
Suzhou Dongchen Ecological Technology Co., Ltd.	Suzhou	Suzhou	Services		100.00%	Established
Shanghai Dongxin New Energy Technology Co., Ltd.	Shanghai	Shanghai	Manufacturing	95.00%	5.00%	Established
Shanghai Donglan New Energy Technology Co., Ltd.	Shanghai	Shanghai	Manufacturing		100.00%	Established
Suzhou Dongyue New Energy Technology Co., Ltd.	Kunshan	Kunshan	Manufacturing	90.00%	10.00%	Established
Suzhou Dongshan Industrial Investment Co., Ltd.	Suzhou	Suzhou	Business & investment	100.00%		Established
Suzhou Dongdi Holding Limited	Suzhou	Suzhou	Business & investment		100.00%	Established
Suzhou JDI Electronics Inc.	Suzhou	Suzhou	Manufacturing	100.00%		Business combinations involving entities not under common control
Chaowei Microelectronics (Yancheng) Co., Ltd.	Yancheng	Yancheng	Manufacturing		100.00%	Established
HongKong Dongshan Precision Union Optoelectronic Co., Limited	Hong Kong, China	Hong Kong, China	Business & investment	100.00%		Established
Mutto Optronics Group Limited	BVI	BVI	Business & investment		100.00%	Business combinations involving entities not under common control
DSBJ Holdings Inc.	USA	USA	Business &		100.00%	Established

Subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage		Method of acquisition
				Direct	Indirect	
			investment			
DSBJ Solutions INC	USA	USA	Business & investment		100.00%	Established
Dragon Electronix Holdings INC.	USA	USA	Business & investment		100.00%	Established
Multi-Fineline Electronix, Inc.	USA	USA	Business & investment		100.00%	Business combinations involving entities not under common control
MFLEX Delaware, Inc.	Delaware	Delaware	Business & investment		100.00%	Business combinations involving entities not under common control
Multi-Fineline Electronix Singapore Pte.Ltd.	Singapore	Singapore	Business & investment		100.00%	Business combinations involving entities not under common control
HongKong Dongshan Holding Limited	Hong Kong, China	Hong Kong, China	Business & investment	100.00%		Established
DSBJ PTE. LTD.	Singapore	Singapore	Business & investment		100.00%	Established
Multek Group (HongKong) Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Established
Multek Technology, Inc.	USA	USA	Business & investment		100.00%	Established
Multek Technologies Limited	Mauritius	Mauritius	Business & investment		100.00%	Business combinations involving entities not under common control
The Dii Group (BVI) Co. Limited	BVI	BVI	Business & investment		100.00%	Business combinations involving entities not under common control
The Dii Group Asia Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Business combinations involving entities not under common control
Multek Hong Kong Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Business combinations involving entities not under common control
Astron Group Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Business combinations involving entities not under common control
Vastbright PCB (HOLDING) Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Business combinations involving entities not under common control
Multek Technology Germany GmbH	Germany	Germany	Business & investment		100.00%	Business combinations involving entities not under common control
Multek Technology Sweden AB	Sweden	Sweden	Business & investment		100.00%	Established
Multek Technology Malaysia SDN.BHD	Malaysia	Malaysia	Business & investment		100.00%	Established
Korea branch office of DSBj Pte. Ltd.	Korea	Korea	Business & investment		100.00%	Established
Autotech Production de Mexico S. de R. L. de C.V.	Mexico	Mexico	Manufacturing		100.00%	Business combinations involving entities not under common control
Aranda Tooling, Inc.	USA	USA	Manufacturing		100.00%	Business combinations

Subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage		Method of acquisition
				Direct	Indirect	
						involving entities not under common control
AutoTech Production Services, Inc.	USA	USA	Manufacturing		100.00%	Business combinations involving entities not under common control
DSBJ MEXICO, S.DER.L.DEC.V.	Mexico	Mexico	Manufacturing		100.00%	Established
Multi-Finline Electronics (Thailand) Co., Ltd.	Thailand	Thailand	Manufacturing		100.00%	Established
Hong Kong Dongdi Holding Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Established
Multi-Finline Electronics Hungary KFT.	Hungary	Hungary	Business & investment		100.00%	Established

## XI. Government Grants

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

### 2. Liabilities related to government grants

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	New grants received in the current period	Amount of non-operating revenue recognized in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income	585,933,889.89	270,238,750.00		107,132,163.18		749,040,476.71	Related to assets
Subtotal	585,933,889.89	271,997,240.62		107,132,163.18		749,040,476.71	

### 3. Government grants recognized in profit or loss

☒ Applicable ☐ N/A

In RMB

Item	Amount of the current period	Amount of the previous period
Government grants recognized in other income	136,320,207.08	145,779,443.11
Total	136,320,207.08	145,779,443.11



## **XII. Risks Associated with Financial Instruments**

### **1. Risks arising from financial instruments**

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

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

#### **(I) Credit risk**

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

#### **1. Credit risk management practice**

##### **(1) Assessment of credit risk**

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

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

1) Quantitative standard, mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition; and/or

2) Qualitative standard, mainly relates to significant adverse changes in the debtor's business situation or financial position, and present or expected changes in technology, market, economy or legal environment that will have a material adverse effect on the debtor's ability to repay.

## (2) Definition of default and credit-impaired assets

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

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

## 2. Measurement of expected credit losses

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

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

## 4. Credit risk exposure and credit risk concentration

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

## (1) Cash and bank balances

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

## (2) Accounts receivable

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

As the Company only deals with approved and creditworthy third parties, no collateral is required. The concentration of credit risks are managed customer by customer. As of June 30, 2025, the Company faced certain credit concentration risks. In particular, 44.19% (December 31, 2024: 54.89%) of the Company's accounts receivable came from the top 5 customers, without any

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

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

## (II) Liquidity risk

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

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

### Financial liabilities classified by remaining maturity

In RMB

Item	Closing balance				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank loans (including non-current liabilities due within one year)	12,860,417,257.10	13,233,485,771.57	8,309,362,026.72	3,593,054,216.52	1,331,069,528.33
Financial liabilities held for trading	71,586,000.00	71,586,000.00	71,586,000.00		
Notes payable	934,630,146.08	934,630,146.08	934,630,146.08		
Accounts payable	9,082,352,248.71	9,082,352,248.71	9,082,352,248.71		
Other payables	96,940,026.12	96,940,026.12	96,940,026.12		
Lease liabilities (including non-current liabilities due within one year)	1,525,373,381.98	1,581,861,735.36	158,153,107.69	1,372,076,040.12	51,632,587.55
Long-term payables (including non-current liabilities due within one year)	27,754,051.05	27,754,051.05		27,754,051.05	
Subtotal	24,599,053,111.04	25,028,609,978.89	18,653,023,555.32	4,992,884,307.69	1,382,702,115.88

(Continued)

Item	Balance at the end of the previous year				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank loans (including non-current liabilities due within one year)	12,427,287,441.14	12,945,053,630.60	7,357,404,130.16	4,070,557,149.80	1,517,092,350.64
Financial liabilities held for trading	82,922,390.17	82,922,390.17	82,922,390.17		
Notes payable	935,581,272.50	935,581,272.50	935,581,272.50		

Accounts payable	9,659,268,990.43	9,659,268,990.43	9,659,268,990.43		
Other payables	94,163,223.90	94,163,223.90	94,163,223.90		
Lease liabilities (including non-current liabilities due within one year)	1,483,360,719.42	1,605,316,008.57	155,598,833.56	1,394,948,589.61	54,768,585.40
Long-term payables (including non-current liabilities due within one year)	49,434,786.31	49,434,786.31		49,434,786.31	

### (III) Market Risk

Market risk is the risk of fluctuation in the fair value or future cash flows of financial instruments due to changes in market prices. Market risk mainly includes interest risk and foreign exchange risk.

#### 1. Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value or future cash flows of financial instruments due to changes in market interest rates. Interest-bearing financial instruments with fixed interest rates expose the Company to fair value interest rate risk, while interest-bearing financial instruments with floating interest rates expose the Company to cash flow interest rate risk. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and reviews and monitors the appropriateness of its portfolio of financial instruments on a regular basis. The cash flow interest rate risk that the Company faces is primarily associated with the floating-rate bank loans owed by the Company, which amounted to RMB 5,961,182,910.35 as of June 30, 2025 (December 31, 2024: RMB 2,392,686,104.16). Supposing the interest rate changes by 50 basis points while other variables remain unchanged, the Company's total profit and shareholders' interest will not be materially affected.

#### 2. Foreign exchange risk

Foreign exchange risk is the risk of fluctuation in the fair value or future cash flows of financial instruments due to changes in exchange rates. The Company's foreign exchange risk relates mainly to foreign currency denominated monetary assets and liabilities. When a short-term imbalance occurs on foreign currency denominated assets and liabilities, the Company may trade foreign currencies at market exchange rates when necessary, in order to maintain the net risk exposure at an acceptable level.

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

## XIII. Fair Value Disclosures

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

In RMB

Item	Closing balance of fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	--	--	--	--
1. Financial assets at fair value through profit or loss			99,120,489.81	99,120,489.81
(2) Investment in equity instruments			65,235,923.23	65,235,923.23
(3) Derivative financial assets			33,884,566.58	33,884,566.58

2. Accounts receivable financing			252,886,223.60	252,886,223.60
(III) Investment in other equity instruments			333,657,110.00	333,657,110.00
Total assets measured at fair value on a recurring basis			685,663,823.41	685,663,823.41
(VI) Financial liabilities held for trading			71,586,000.00	71,586,000.00
Total liabilities measured at fair value on a recurring basis			71,586,000.00	71,586,000.00
II. Fair value measurement on a non-recurring basis	--	--	--	--

## XIV. Related Parties and Related-party Transactions

### 1. Parent of the Company

Parent of the Company

The ultimate controllers of the Company are YUAN Yonggang, YUAN Yongfeng, and YUAN Fugen.

Other information: The Company's actual controllers are YUAN Yonggang, YUAN Yongfeng and YUAN Fugen, who hold 16.53%, 13.51%, and 3.21% of the total shares and votes of the Company respectively, and 33.26% of the total shares and votes of the Company in aggregate.

### 2. Subsidiaries of the Company

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

### 3. Joint ventures and associates of the Company

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

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

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

### 4. Other related parties

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

## 5. Related-party transactions

### (1) Related-party commodity and service transactions

Purchase of goods and receipt of services from related parties

In RMB

Related party	Subject matter	Amount of the current period	Transaction quota approved	Whether or not to exceed the transaction quota?	Amount of the previous period
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Purchase of goods	7,964.55			28,320.00
Shanghai Corkuna New Material Technologies Co., Ltd.	Purchase of goods	936,457.17			6,839,456.25
Suzhou Corkuna New Material Technologies Co., Ltd.	Purchase of goods	11,214,138.95			1,373,169.59

Sale of goods and rendering of services to related parties

In RMB

Related party	Subject matter	Amount of the current period	Amount of the previous period
Suzhou Toprun Electric Equipment Co., Ltd.	Sale of goods	24,637.14	101,886.79
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Sale of goods	22,188.29	25,776.74
Anhui Landun Photoelectron Co., Ltd.	Rendering of services	75,600.00	

### (4) Related-party guarantees

The Company as guarantor

In RMB

Obligor	Amount guaranteed	Effective date of guarantee	Expiry date of guarantee	Whether the obligation guaranteed has been discharged
Suzhou Toprun Electric Equipment Co., Ltd.	2,000,000.00	January 25, 2025	January 25, 2026	No
Suzhou Toprun Electric Equipment Co., Ltd.	6,000,000.00	January 21, 2025	January 21, 2026	No
Suzhou Toprun Electric Equipment Co., Ltd.	2,000,000.00	September 4, 2024	September 4, 2025	No
Suzhou Toprun Electric Equipment Co., Ltd.	5,217,971.96	December 12, 2024	September 11, 2025	No
Suzhou Toprun Electric Equipment Co., Ltd.	3,790,000.00	October 21, 2024	October 20, 2025	No
Suzhou Toprun Electric Equipment Co., Ltd.	10,000,000.00	March 17, 2025	March 16, 2026	No

The Company as obligor

In RMB

Guarantor	Amount guaranteed	Effective date of guarantee	Expiry date of guarantee	Whether the obligation guaranteed has been discharged
YUAN Yongfeng/YUAN Yonggang	200,000,000.00	August 28, 2022	January 6, 2032	No

**(7) Remuneration of key officers**

In RMB

Item	Amount of the current period	Amount of the previous period
Remuneration of key officers	11,563,600.00	11,522,600.00

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

In RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Allowance for doubtful accounts	Book balance	Allowance for doubtful accounts
Accounts receivable	Hai Dixin Semiconductor (Nantong) Co., Ltd.	1,607,132.92	1,607,132.92	1,607,132.92	1,607,132.92
Accounts receivable	Suzhou Dongcan Optoelectronics Technology Co., Ltd.	340,922.83	80,551.49	318,894.64	93,307.33
Accounts receivable	Suzhou Toprun Electric Equipment Co., Ltd.			11,177.70	55.89
Other receivables	Hai Dixin Semiconductor (Nantong) Co., Ltd.	1,790,748.55	1,790,748.55	1,790,748.55	1,790,748.55

**(2) Amounts payable to related parties**

In RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Suzhou Dongcan Optoelectronics Technology Co., Ltd.	167,885.28	298,971.64
Accounts payable	Shanghai Corkuna New Material Technologies Co., Ltd.	763,131.39	1,792,220.15
Accounts payable	Suzhou Corkuna New Material Technologies Co., Ltd.	8,104,093.33	4,970,486.19

**XV. Share-based Payments****XVI. Commitments and Contingencies****XVII. Subsequent Events****XVIII. Other Significant Information****XIX. Notes to Key Items of the Standalone Financial Statements****1. Accounts receivable****(1) Accounts receivable by age**

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	2,172,932,265.82	2,998,577,516.40
Within 6 months	1,167,215,399.56	1,717,998,540.30
7-12 months	1,005,716,866.26	1,280,578,976.10
1-2 years	819,509,895.91	67,754,351.05
2-3 years	23,753,402.01	94,214,723.81
Over 3 years	67,517,615.51	75,446,354.06
3-4 years	8,115,824.67	3,854,595.17
4-5 years	8,500,918.37	48,135,349.97
Over 5 years	50,900,872.47	23,456,408.92
Total	3,083,713,179.25	3,235,992,945.32

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	Ratio of provision		Amount	%	Amount	Ratio of provision	
Allowance recognized individually	14,625,467.55	0.47%	14,625,467.55	100.00%		14,625,467.55	0.45%	14,625,467.55	100.00%	
Incl.:										
Allowance recognized	3,069,087,711.70	99.53%	77,463,302.85	2.52%	2,991,624,408.85	3,221,367,477.77	99.55%	77,874,863.40	2.42%	3,143,492,614.37



collectively										
Incl.:										
Total	3,083,713,179.25	100.00%	92,088,770.40	2.99%	2,991,624,408.85	3,235,992,945.32	100.00%	92,500,330.95	2.86%	3,143,492,614.37

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

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	Ratio of provision
Group of related parties within the scope of consolidation	2,075,948,347.62		
Aging group	993,139,364.08	77,463,302.85	7.80%
Total	3,069,087,711.70	77,463,302.85	

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

In RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and contract assets	% of the total closing balance of accounts receivable and contract assets	Closing balance of allowance for doubtful accounts receivable and impairment of contract assets
Top 1	864,675,055.44		864,675,055.44	28.04%	
Top 2	432,967,317.80		432,967,317.80	14.04%	
Top 3	282,623,353.91		282,623,353.91	9.16%	
Top 4	203,743,208.93		203,743,208.93	6.61%	1,019,796.04
Top 5	184,030,577.23		184,030,577.23	5.97%	
Total	1,968,039,513.31		1,968,039,513.31	63.82%	1,019,796.04

## 2. Other receivables

In RMB

Item	Closing balance	Opening balance
Dividends receivable	1,289,047,893.28	1,495,758,008.53
Other receivables	6,087,268,144.80	4,473,728,550.13
Total	7,376,316,038.08	5,969,486,558.66

### (2) Dividends receivable

#### 1) Dividends receivable by category

In RMB

Item (or investee)	Closing balance	Opening balance
HongKong Dongshan Holding Limited	933,047,893.28	1,044,758,008.53
Yancheng Dongshan Precision Manufacturing Co., Ltd.	266,000,000.00	266,000,000.00

Suzhou JDI Electronics Inc.	90,000,000.00	140,000,000.00
Suzhou Dongyue New Energy Technology Co., Ltd.		45,000,000.00
Total	1,289,047,893.28	1,495,758,008.53

## 2) Significant dividends receivable aged over one year

In RMB

Item (or investee)	Closing balance	Age	Reason for failure to collect	Whether or not impaired and the basis for determination
HongKong Dongshan Holding Limited	463,047,893.28	Over 3 years	To support the development of the subsidiary	
Yancheng Dongshan Precision Manufacturing Co., Ltd.	266,000,000.00	Over 3 years	To support the development of the subsidiary	
Total	729,047,893.28			

## (3) Other receivables

### 1) Other receivables by nature

In RMB

Nature of accounts	Closing book balance	Opening book balance
Current accounts	5,899,853,694.38	4,469,455,999.04
Security deposit	2,400,000.00	1,325,000.00
Loan and reserve fund	6,497,888.40	4,407,055.00
Temporary payment receivable	4,570,250.41	2,639,160.94
Security deposit for investments	187,005,481.32	
Total	6,100,327,314.51	4,477,827,214.98

### 2) Other receivables by age

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	5,917,253,171.72	4,293,041,449.14
1-2 years	179,691,035.58	179,913,329.38
2-3 years	429,529.85	1,936,000.00
Over 3 years	2,953,577.36	2,936,436.46
3-4 years	235,470.15	1,367,016.15
4-5 years	2,568,707.21	1,414,020.31
Over 5 years	149,400.00	155,400.00
Total	6,100,327,314.51	4,477,827,214.98

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

In RMB

Type	Closing balance	Opening balance
------	-----------------	-----------------

	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	Ratio of provision		Amount	%	Amount	Ratio of provision	
Incl.:										
Allowance recognized collectively	6,100,327,314.51	100.00%	13,059,169.71	0.21%	6,087,268,144.80	4,477,827,214.98	100.00%	4,098,664.85	0.09%	4,473,728,550.13
Incl.:										
Total	6,100,327,314.51	100.00%	13,059,169.71	0.21%	6,087,268,144.80	4,477,827,214.98	100.00%	4,098,664.85	0.09%	4,473,728,550.13

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

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	Ratio of provision
Group of related parties within the scope of consolidation	5,899,853,694.38		
Aging group	200,473,620.13	13,059,169.71	6.51%
Incl.: Within 1 year	196,364,477.34	9,818,223.87	5.00%
1-2 years	726,035.58	72,603.56	10.00%
2-3 years	429,529.85	214,764.92	50.00%
Over 3 years	2,953,577.36	2,953,577.36	100.00%
Total	6,100,327,314.51	13,059,169.71	

Basis for grouping:

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

In RMB

Allowance for doubtful accounts	Stage I	Stage II	Stage III	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Balance at January 1, 2025	155,649.55	38,578.84	3,904,436.46	4,098,664.85
In the current period, the balance as at January 1, 2025				
- Transferred to stage II	-34,024.72	34,024.72		
Recognized	9,696,599.04		-736,094.18	8,960,504.86
Balance at June 30, 2025	9,818,223.87	72,603.56	3,168,342.28	13,059,169.71

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

In RMB

Company name	Nature of account	Closing balance	Age	% of the total closing balance of other receivables	Closing balance of allowance for doubtful accounts
Yancheng Dongshan Precision Manufacturing Co., Ltd.	Current accounts	1,258,475,589.25	Within 1 year	20.63%	
Mutto Optronics Technology Co., Ltd.	Current accounts	1,178,897,118.58	Within 1 year	19.33%	
Suzhou Dongyue New Energy Technology Co., Ltd.	Current accounts	659,595,925.94	Within 1 year	10.81%	
HongKong Dongshan Holding Limited	Current accounts	471,040,528.37	Within 1 year	7.72%	
HongKong Dongshan Holding Limited		178,965,000.00	1-2 years	2.93%	
Dongguan Dongshan Precision Manufacturing Co., Ltd.	Current accounts	484,142,051.89	Within 1 year	7.94%	
Total		4,231,116,214.03		69.36%	

### 3. Long-term equity investments

In RMB

Item	Closing balance			Opening balance		
	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Investments in subsidiaries	9,671,242,453.40	133,690,000.00	9,537,552,453.40	9,671,242,453.40	133,690,000.00	9,537,552,453.40
Investments in associates and joint ventures	104,366,246.18	17,507,056.47	86,859,189.71	107,812,202.38	17,507,056.47	90,305,145.91
Total	9,775,608,699.58	151,197,056.47	9,624,411,643.11	9,779,054,655.78	151,197,056.47	9,627,857,599.31

#### (1) Investments in subsidiaries

In RMB

Investee	Opening balance (carrying value)	Opening balance of allowance for impairment loss	Changes in the current period				Closing balance (carrying value)	Closing balance of allowance for impairment loss
			Additional investment	Reduced investment	Allowance for impairment loss	Others		
Dongguan Dongshan Precision Manufacturing Co., Ltd.	342,000,000.00						342,000,000.00	
MFLEX Shanghai Co., Ltd.	2,023,777.30						2,023,777.30	
Shenzhen Qindao Dongchuang	100,000,000.00						100,000,000.00	

Investment Partnership (L.P.)								
RF Top Electronic	372,858,083.14						372,858,083.14	
Suzhou Chengjia Precision Manufacturing Co., Ltd.	80,109,368.24						80,109,368.24	
Suzhou Dongbo Precision Manufacturing Co., Ltd.								
Suzhou Dongdai Electronic Technology Co., Ltd.	1,530,000.00						1,530,000.00	
Suzhou Dongjiyuan Metal Technology Co., Ltd.								
Suzhou Dongke Real Estate Co., Ltd.	152,389,096.00						152,389,096.00	
Suzhou Dongkui Lighting Co., Ltd.	12,100,000.00						12,100,000.00	
Suzhou Dongyan Electronic Technology Co., Ltd.								
Suzhou Jebson Intelligent Technology Co., Ltd.	255,000.00						255,000.00	
Suzhou Yongchuang Communication Technology Co., Ltd.	451,582,710.63						451,582,710.63	
HongKong Dongshan Precision Union Optoelectronic Co., Limited	3,744,565,150.00	133,690,000.00					3,744,565,150.00	133,690,000.00
HongKong Dongshan Holding Limited	452,677,880.00						452,677,880.00	
Yancheng Dongshan Precision Manufacturing Co., Ltd.	1,093,619,610.92						1,093,619,610.92	
Yancheng	3,067,267.20						3,067,267.20	

Dongshan Business Management Co., Ltd.								
Yancheng Dongshan Communication Technology Co., Ltd.	280,401,403.77						280,401,403.77	
Suzhou JDI Electronics Inc.	1,382,684,003.83						1,382,684,003.83	
Suzhou Dongshan Industrial Investment Co., Ltd.	20,010,000.00						20,010,000.00	
Shanghai Dongxin New Energy Technology Co., Ltd.	80,000,000.00						80,000,000.00	
Yancheng Dongchuang Precision Manufacturing Co., Ltd.	450,000,000.00						450,000,000.00	
Suzhou Dongyue New Energy Technology Co., Ltd.	500,000,000.00						500,000,000.00	
Multek China Limited	71,324.52						71,324.52	
Mutto Optronics Technology Co., Ltd.	824,778.48						824,778.48	
MFLEX Suzhou Co., Ltd.	7,193,259.60						7,193,259.60	
Yancheng Mutto Optronics Technology Co., Ltd.	47,549.64						47,549.64	
MFLEX Yancheng Co., Ltd.	4,175,696.89						4,175,696.89	
Multek Industries Limited	2,425,059.72						2,425,059.72	
Dongwei Smart Suzhou Co., Ltd.	14,216.26						14,216.26	
Zhuhai Multek Business Management Co., Ltd.	927,217.26						927,217.26	
Total	9,537,552,453.40	133,690,000.00					9,537,552,453.40	133,690,000.00

**(2) Investments in associates and joint ventures**

In RMB

Investee	Opening balance (carrying value)	Opening balance of allowance for impairment loss	Changes in the current period								Closing balance (carrying value)	Closing balance of allowance for impairment loss
			Additional investment	Reduced investment	Investment income or loss under equity method	Adjustment to other comprehensive income	Other changes in equity	Declared cash dividends or profit distribution	Allowance for impairment loss	Others		
II. Associates												
Suzhou Toprun Electric Equipment Co., Ltd.	11,784,413.39				595,463.99						12,379,877.38	
Shenzhen Nanfang Blog Technology Development Co., Ltd.		17,507,056.47										17,507,056.47
Shanghai Fushan Precision Manufacturing Co., Ltd.												
Suzhou LEGATE Intelligent Equipment Corp., Ltd.	11,492,208.40				-962,618.12						10,529,590.28	
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	3,316,472.49				-448,465.91						2,868,006.58	
Jiangsu Nangao Intelligent Equipment Innovation Center Co., Ltd.	3,442,835.16				-892,575.65						2,550,259.51	
Jiaozuo Songyang Optoelectric Technology Co., Ltd.	24,392,091.70				-1,434,466.66						22,957,625.04	
Suzhou Yongxin Jingshang Venture Capital Partnership (L.P.)	35,877,124.77				-303,293.85						35,573,830.92	
Subtotal	90,305,145.91	17,507,056.47			-3,445,956.2						86,859,189.71	17,507,056.47

					0							
Total	90,305,145.9 1	17,507,056.4 7			- 3,445,956.2 0						86,859,189.7 1	17,507,056.4 7

#### 4. Operating revenue and operating costs

In RMB

Item	Amount of the current period		Amount of the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	2,007,552,995.18	1,910,964,376.03	2,063,759,581.25	2,057,085,061.96
Other businesses	27,726,642.37	12,291,548.13	82,843,913.95	25,663,449.45
Total	2,035,279,637.55	1,923,255,924.16	2,146,603,495.20	2,082,748,511.41

#### 5. Investment income

In RMB

Item	Amount of the current period	Amount of the previous period
Income from long-term equity investments under the equity method	-3,445,956.20	-2,927,211.16
Bank wealth management product	160,800.00	-2,651,138.83
Total	-3,285,156.20	-5,578,349.99

## XX. Supplementary Information

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

☒ Applicable ☐ N/A

In RMB

Item	Amount	Remark
Gain or loss from disposal of non-current assets	-21,866,977.73	
Government grants recognized in profit or loss (excluding the government grants that are closely related to the business of the Company, conform to the applicable policies of the country, are provided in accordance with the established standards, and continuously affect the Company's profit or loss)	135,129,891.48	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities, and gain or loss on disposal of financial assets and financial liabilities, except for effective hedges held in the ordinary course of business	5,592,799.26	
Other non-operating revenues and expenses	1,345,108.64	
Less: Effect on income tax	18,885,610.71	
Effect on minority interests (exclusive of tax)	109,173.64	
Total	101,206,037.30	--

### 2. Return on equity and earnings per share

Profit for the reporting period	Weighted average return	Earnings per share
---------------------------------	-------------------------	--------------------



	on net assets	Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	3.95%	0.45	0.45
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gain or loss	3.42%	0.39	0.39

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

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

#### (3) Description of the reasons for the differences in the accounting data under the CASBEs and overseas accounting standards, and the name of the overseas institution that has audited the data reconciled for differences

### 4. Others

## Section IX Other Reporting Data

### I. Other Major Social Security Issues

Whether the Listed Company and its subsidiaries have other major social security issues

☐ Yes ☐ No ☒ N/A

Whether a punishment is imposed during the reporting period

☐ Yes ☐ No ☒ N/A

### II. Registration Form of Investigation, Research, Communication, Interview and Other Activities during the Reporting Period

☒ Applicable ☐ N/A

Date	Place	Method of communication	Type of investors	Guests	Main topics of discussion and information provided	Particulars of the investigation and research activity available at
2025/04/25	Online	Communication by telephone	Others	275 investors including CITIC Securities	Interpretation of our annual report, etc.	www.cninfo.com.cn
2025/04/30	Online	Communication by telephone	Others	141 investors including Huatai Securities and other investors	Interpretation of our first quarter report, etc.	www.cninfo.com.cn

### III. Payments and Receipts by the Listed Company with the Controlling Shareholder and other Related Parties

☐ Applicable ☒ N/A