

Yangzhou Yangjie Electronic Technology Co., Ltd.

2023 Annual Report

2024-014

April 2024

2023 Annual Report

Section I Important Notice, Table of Contents and Definitions

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

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

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

1. Risk in market competition

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

2. Technological risk

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

3. Management risk

In recent years, the Company has continuously expanded its business scale & scope and staff size with the rapid expansion of the departments related to its business department system, R&D system, extended investment system and decision-making support system, which has imposed higher requirements for the leadership and the ability to maneuver business risks of the Company's management and the quality and the ability to adapt to rapid changes of the

Company's managers. Although the Company has continued to strengthen the construction of its internal management system and improve the system-based development of its organizational capabilities, the Company's operation and development will still be affected if the Company's organizational capabilities, management mode and talent development fail to adapt to the changes in the Company's internal and external environments in the future.

4. M&A risk

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

5. International political and economic environment risk

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

The Company's profit distribution plan approved at the meeting of the Board of Directors is as follows: To distribute a cash dividend of RMB6 (tax-inclusive) per 10 shares and 0 bonus shares (tax-inclusive) to all shareholders, based on the adjusted total share capital of 540,608,382 shares after deducting the shares repurchased in the repurchase account as at April 18, 2024, with the conversion of capital reserves into the share capital of zero shares per 10 shares.

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Documents Available for Inspection

- I. Financial statements bearing the signatures and seals of the person in charge of the Company, the person in charge of accounting and the person in charge of the accounting department (Accounting Officer).
- II. Originals of the auditor' reports bearing the seals of the accounting firm and the signatures and seals of a certified public accountant.
- III. Originals of all company documents and manuscripts of all announcements disclosed on the website designated by the China Securities Regulatory Commission during the Reporting Period.
- IV. Other reference documents.

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

Definitions

Item	Refers to	Content
The Company, Company, and Yangjie Technology	Refers to	Yangzhou Yangjie Electronic Technology Co., Ltd.
Semiconductors	Refers to	A substance with a conductivity that is intermediate between those of a conductor and an insulator, such as silicon and germanium
MOSFET and MOS	Refers to	Metal-Oxide-Semiconductor-Field-Effect Transistor. It is a field-effect transistor that can be extensively used in analog and digital circuits
IGBT	Refers to	Insulated Gate Bipolar Transistor. It is a composite fully controlled voltage-driven power semiconductor component that consists of BJT (bipolar junction transistor) and MOS (insulated gate field-effect tube)
SiC	Refers to	Silicon carbide. It is a silicon carbide compound, which is the main material of the third generation of semiconductor
GaN	Refers to	Gallium nitride. It is a gallium nitride compound, which is a kind of direct bandgap semiconductor
Wafer and chip	Refers to	A functional semiconductor component that is made by multiple processes on a semiconductor sheet (monocrystalline silicon) such as diffusion, lithography, etching, cleaning, passivation, metallization, etc.
Integrated circuits	Refers to	A semiconductor component that performs a circuit or system function by integrating a certain number of transistors, diodes, resistors, capacitors and inductors
Encapsulation	Refers to	A series of processes after the manufacturing of a wafer, that is, segmenting a wafer into a single chip, the leads are welded and placed and connected to a capsule
Power electronic device	Refers to	It is also known as a power semiconductor component, which is mainly used for power conversion and control circuits for power equipment
Diode	Refers to	A semiconductor component with positive forward pass and reverse cutoff features
Rectifier bridge	Refers to	A rectifier part that consists of two or four diodes

Power module	Refers to	It is embedded by power electronic devices according to a certain combination of functions
IDM	Refers to	Integrated Design and Manufacture. It refers to a semiconductor-integrated design and manufacturing company that handles the design, manufacturing, encapsulation tests, and sales of its brand
Single-crystal silicon wafers	Refers to	It is a single crystal of silicon, which is a good semi-conductive material and is used for manufacturing semiconductor components, and solar cell
BJT	Refers to	Bipolar Junction Transistor. It is a component that combines two PN junctions through some processes
FRED	Refers to	Fast Recovery Diode. It is a semiconductor diode featuring a good switching characteristic and short reverse recovery time, which is mainly used for electronic circuits such as switching power supply, PWM (pulse width modulator), and frequency converters to serve as high-frequency SMD rectifier diode, continuation diode or damping diode
ESD	Refers to	Electro-Static discharge Electrostatic protection is an important aspect of the quality control of electronic products
TVS	Refers to	Transient voltage suppressor
IOT	Refers to	Internet of Things, also known as a sensor network. It is an extension of the Internet from people to things.
MES	Refers to	A set of production information-based management system that faces the executive level of the workshops of the manufacturing enterprises
CRM	Refers to	The customer relationship management system is a system with the management of customer data at its core that utilizes information science technology to realize the automation of marketing, sales, and services and establishes a system to collect, manage, analyze, and use customer information to assist enterprises in realizing the customer-centered management mode. Customer relationship management is both a management philosophy and a kind of

		software technology.
MCC Germany	Refers to	Micro Commercial Components GmbH
J&V Semiconductor and J&V Semiconductor Company	Refers to	Yangzhou J&V Semiconductor Company
MCC USA	Refers to	Micro Commercial Components Corporation (USA)
CS Company and Caswell	Refers to	Caswell Industries Limited (BVI)
MCC Taiwan	Refers to	MCC Semiconductor Co., Ltd.
Jiangsu Power	Refers to	Jiangsu Power Microelectronics Co., Ltd.
Chengdu Qingyang	Refers to	Chengdu Qingyang Electronic Material Co., Ltd.
Inner Mogolia Qingyang	Refers to	Inner Mongolia Qingyang Electronic Material Co., Ltd.
Yajixin	Refers to	Sichuan Yajixin Electronic Technology Co., Ltd.
Yangjie Investment	Refers to	Jiangsu Yangjie Investment Co., Ltd.
MCC Hong Kong	Refers to	MCC Semiconductor HK Co., Ltd.
MCC Shenzhen	Refers to	Shenzhen MCC Semiconductor Co., Ltd.
Yingxing Jiexin	Refers to	Yixing Jiexin Semiconductor Co., Ltd.
Jiangsu Huanxin	Refers to	Jiangsu Huanxin Semiconductor Co., Ltd. [Note 3]
Guoyu Electronics	Refers to	Yangzhou Guoyu Electronics Co., Ltd.
Yangjie Semiconductor	Refers to	Jiangsu Yangjie Semiconductor Co., Ltd.
Jaywin Chip	Refers to	Yangzhou Jaywin Auto Chip Co., Ltd.
Shanghai Xinyangjie	Refers to	Shanghai Xinyangjie Electronics Co., Ltd.
Yangjie Korea Company	Refers to	Yangjie Electronic Korea Co., Ltd.
MCC Jiangsu	Refers to	Jiangsu MCC Semiconductor Co., Ltd.
Hangzhou E-Giant and E-Giant Semiconductor	Refers to	Hangzhou E-Giant Semiconductor Technology Co., Ltd.
Yangzhou Jiemei	Refers to	Yangzhou Jiemei Semiconductor Co., Ltd.
Sihong Hongxin	Refers to	Sihong Hongxin Semiconductor Co., Ltd.
Shanghai Lingxin	Refers to	Shanghai Lingxin Semiconductor Technology Co., Ltd.
Wuxi Lingxin	Refers to	Wuxi Lingxin Semiconductor Technology Co., Ltd.
Yangjie Wuxi	Refers to	Yangjie Technology (Wuxi) Co., Ltd.
Runau	Refers to	Jiangsu Yangjie Runau Semiconductor Co., Ltd.

Wuxi Jiexiwei	Refers to	Wuxi Jiexiwei Semiconductor Co., Ltd.
Hunan Jiechuwei and Chuwei Semiconductor	Refers to	Hunan Chuwei Semiconductor Technology Co., Ltd
Yangzhou Jieguan	Refers to	Yangzhou Jieguan Microelectronics Co., Ltd.
Yangjie Japan	Refers to	YJ Technology Japan Co., Ltd.
MCC Singapore	Refers to	MCC Singapore Pte. Ltd.
Micro Commercial Components Vietnam	Refers to	MICRO COMMERCIAL COMPONENTS VIETNAM COMPANY LIMITED

Section II Company Profile and Principal Financial Indicators

I. Corporate profile

Stock Abbreviation	Yangjie Technology	Stock Codee	300373
Chinese Name of the Company	Yangzhou Yangjie Electronic Technology Co., Ltd.		
Chinese Name Abbreviation	Yangjie Technology		
English Name (if Any)	Yangzhou Yangjie Electronic Technology Co., Ltd.		
English Abbreviation (if Any)	Yangjie Technology		
Legal Representative of the Company	Liang Qin		
Registered Address	Yangzhou Weiyang Economic Development Zone, Jiangsu		
Postal Code of the Registered Address	225008		
Historical change of registered address of the Company	N/A		
Business Address	68 Xinganquan Avenue, Hanjiang District, Yangzhou City, Jiangsu Province		
Postal code of the office address	225123		
Website of the Company	https://www.21yangjie.com/		
E-mail	zjb@21yangjie.com		

II. Contact persons and contact methods

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

III. Information disclosure and places for inspection

Website of the stock exchange where the Company's annual report is disclosed	Shenzhen Stock Exchange (http://www.szse.cn/)
Names and websites of the media where the	<i>Securities Times</i> , http://www.cninfo.com.cn

Company's annual report is disclosed	
Place where the annual report can be obtained	Securities Department of the Company

IV. Other information

Accounting firm engaged by the Company

Name of Accounting Firm	Pan-China Certified Public Accountants (Special General Partnership)
Office address of the accounting firm	26/F, T2, Runau Commercial Center, Qianjian Century City, Xiaoshan District, Hangzhou City
Name of the signing accountant	Ni Guojun, Li Zongwei

The sponsor engaged by the Company to perform the duties of continuous supervision during the Reporting Period

Applicable Not applicable

Name of the sponsor	Office address of the sponsor	Name of the representative of the sponsor	Duration of the continuous supervision
Orient Securities Investment Banking Co., Ltd.	24/F, Orient International Finance Plaza, 318 South Zhongshan Road, Huangpu District, Shanghai City	Wu Qiming, Shao Difan	January 28, 2021 - December 31, 2023

Financial adviser engaged by the Company to perform the duties of continuous supervision during the Reporting Period

Applicable Not applicable

V. Principal accounting data and financial indicators

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

Yes No

	2023	2022	Increase/decrease from last year	2021
Operating income (RMB)	5,409,834,952.38	5,403,532,033.34	0.12%	4,396,593,537.75
Net profit attributable to shareholders of the listed	923,926,332.30	1,060,145,500.75	-12.85%	768,103,337.90

company (RMB)				
Net profit net of non-recurring gains and losses attributable to shareholders of the listed company (RMB)	703,912,494.96	980,646,852.21	-28.22%	708,389,380.92
Net cash flows from operating activities (RMB)	899,420,250.19	798,449,953.47	12.65%	715,123,346.64
Basic earnings per share (RMB/share)	1.74	2.07	-15.94%	1.51
Diluted earnings per share (RMB/share)	1.74	2.07	-15.94%	1.51
Weighted average ROE (%)	12.46%	18.98%	-6.52%	16.71%
	At the end of 2023	At the end of 2022	Increase/decrease from the end of last year	At the end of 2021
Total assets (RMB)	12,626,923,751.10	9,483,238,483.20	33.15%	7,393,748,458.44
Net asset attributable to shareholders of the listed company (RMB)	8,246,447,181.72	6,153,405,610.35	34.01%	5,083,019,416.23

In recent three fiscal years of the Company, the lower of net profit before or after deducting non-recurring gain or loss was negative. Moreover, the auditor's report for recent one year suggests that the Company's ability to continue as a going concern is plagued by uncertainties.

Yes No

The lower of the net profits of the Company before and after non-recurring gains and losses are deducted is negative

Yes No

Has there been a change in the Company's share capital between the end of the Reporting Period

and the disclosure date of the annual report due to issuing new shares, additional issuances, rights issues, the exercise of stock incentives, buybacks, or other reasons that affected the amount of shareholders' equity?

Yes No

Preferred dividend paid	0.00
Interest on perpetual bond (RMB) paid	0.00
Fully diluted earnings per share calculated based on the latest share capital (RMB/share)	1.7015

VI. Principal financial indicators by quarters

Unit: RMB

	First Quarter	Second Quarter	Q3	Fourth Quarter
Operating income	1,310,450,688.72	1,314,291,697.90	1,415,928,038.64	1,369,164,527.12
Net profit attributable to shareholders of the listed company	181,856,600.45	228,892,762.17	207,171,198.42	306,005,771.26
Net profit attributable to shareholders of the Company after extraordinary items	180,429,428.62	229,569,199.62	203,418,085.95	90,495,780.77
Net cash flows from operating activities	52,366,727.43	218,184,534.70	144,305,059.37	484,563,928.69

Whether there is substantial difference between the aforesaid financial indicators or their sum and those disclosed in the quarterly report and semi-annual report

Yes No

VII. Accounting data differences under PRC GAAP and those under the GAAP of a foreign jurisdiction

1. If there was any difference of the net profits and the net assets that were disclosed in the financial statement under the International Financial Reporting Standards (IFRSs) with those under the generally accepted accounting principles of the People's Republic of China (PRC GAAP)

Applicable Not applicable

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

2. If there was any difference of the net profits and the net assets that were disclosed in the financial statement under the GAAP of a foreign jurisdiction with those under the PRC GAAP

Applicable Not applicable

There was no difference of the net profits and the net assets that were disclosed in the financial statement under the GAAP of any foreign jurisdiction with those under the PRC GAAP during the Reporting Period.

VIII. Non-recurring gains and losses

Applicable Not applicable

Unit: RMB

Item	Amount of 2023	Amount of 2022	Amount of 2021	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	17,678,838.22	-1,915,467.50	4,700,672.32	
Government grants recognized in profit or loss for the current period (except for government grants closely related to the Company's normal operating business, in compliance with national policies and in accordance with	17,883,638.09	31,301,897.74	33,842,494.96	

defined criteria, and having a continuous impact on the Company's profit or loss)				
Gains and losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains and losses arising from the disposal of financial assets and financial liabilities, other than effective hedging business related to the Company's normal operating business	185,923,823.82	45,171,465.96	3,506,660.28	
Gains and losses on entrusting others with investments or asset management	6,269,121.12	28,712,652.67	38,229,018.62	
Other non-operating income and expense other than the above	-11,858,329.10	-9,274,548.66	-8,318,231.24	
When control of an associate is acquired, the gain arising from the remeasurement of the original	35,107,584.83			

equity interest at its fair value				
Less: Income tax effects	30,778,167.63	13,312,596.06	11,144,787.69	
Effects of the minority shareholders' equity (net of tax)	212,672.01	1,184,755.61	1,101,870.27	
Total	220,013,837.34	79,498,648.54	59,713,956.98	--

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Section III Management Discussion and Analysis

I. Industry overview for the reporting period

1. Development of the industry where the Company engages

As the core functional electric and electronic parts, power semiconductor components have a wide range of applications in supporting fields such as automotive electronics, clean energy, 5G communication, security, industrial control and consumer electronics. Technological development encourages higher requirements of humans for fields such as security, environmental protection and intelligence, so as to produce increased demand for various kinds of power semiconductor devices. As the new technology of the power semiconductor component industry has been developed and become mature, its application fields continue to expand, making power semiconductor devices indispensable and core electronic parts for the development of the national economy. In 2023, the global semiconductor market was affected by cyclical changes and overall experienced a downturn. According to the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is expected to see a year-on-year decline of 9.4%, dropping to USD520.1 billion. However, when examined by category, the discrete device market still saw a modest growth of 5.8%.

Although the power semiconductor component industry shows a relatively high degree of market-oriented development and a low industry concentration, there are only a few domestic enterprises that are equipped with comprehensive competitiveness that covers the full industry chain including silicon rods, silicon wafers, chips, device R&D, design, manufacturing, and packaging testing. In China, the power semiconductor market features a distinct tiered competitive landscape. With domestic companies progressively breaking through in core technologies related to chip design and manufacturing processes, there is a filling of domestic technology gaps across various sectors. Consequently, the quality, performance, and technical standards of domestic power semiconductor products have continuously improved. This has led to increased brand recognition, reducing China's reliance on imported devices. Opportunities for domestic substitution and expansion into overseas markets have become more apparent. Global top industry players facing intense market competition are urgently seeking cost-reduction solutions and have started incorporating Chinese brands into their supply chains, presenting Chinese companies with excellent opportunities to increase their market share abroad. Meanwhile, China-US trade disputes and the Western blockade on technology will accelerate the independence of the domestic power semiconductor industry. Moreover, as geopolitical and other issues have imposed higher requirements on the security of the supply chain, which symbolizes an ideal opportunity for the development of domestic power semiconductor enterprises. National policies supporting the increased use of domestically produced semiconductors have also opened up more opportunities for the industry. In 2023, the power semiconductor industry in China continued to make steady progress on the path to domestication, gradually pushing for the substitution of critical industry components with local products.

The power semiconductor component industry is a key industry encouraged and supported by China. In order to promote the development of electric and electronic technology and industry and build a resource-saving and environmentally-friendly society, China has formulated a series of policies and regulations to guide, encourage, support and promote the development of the domestic power semiconductor undertakings, as well as strengthen the domestic technological competitiveness. At present, the importance of the power semiconductor industry has been raised to a national strategic level. With the further implementation of "intelligent manufacturing", "new infrastructure construction" and other national policies, as well as the implementation of the dual carbon strategy (carbon peaking and carbon neutrality), power semiconductors, as the core components for China to make electric systems independent and controllable and achieve energy conservation and environmental protection, are expected to achieve fast development with the support of policies. In

December 2022, the State Council published the *Outline of Strategic Planning for Expanding Domestic Demand (2022-2035)* with the goal of raising the scale of consumption and investment and achieving new breakthroughs in the scale of domestic demand. The outline proposed that China should actively develop its green and low-carbon consumption market, enhance the construction of energy infrastructure, promote the establishment of new electric systems, improve the reception and storage capacity of clean energy, comprehensively improve the core competitiveness of the information and technology industry, and promote innovation and application of technologies such as artificial intelligence, advanced communication, integrated circuits, new display technology and advanced calculation technology. In January 2023, the Ministry of Industry and Information Technology, along with five other departments, released the *Guidelines on Promoting the Development of the Energy Electronics Industry*. These guidelines aim to accelerate the promotion of power semiconductor components in fields such as photovoltaic power generation, wind power, electric power transmission, new energy vehicles, and rail transit. The development of new high-temperature, high-voltage, low-loss, and highly reliable IGBT devices and modules, as well as advanced wide-bandgap semiconductor materials like SiC and GaN, along with cutting-edge topologies and packaging technologies for new power electronic devices and key technologies, were emphasized. In September 2023, the National Development and Reform Commission and the National Energy Administration issued *Guidelines on Strengthening the Stability of the Power System under New Circumstances*. These guidelines call for the development of large-capacity circuit breakers, high-performance power electronic devices, active support for new energy sources, and large-capacity flexible DC transmission systems to enhance the stability of the power system. They also promote the development of new energy storage technologies towards higher safety, efficiency, and active support, and aim to increase the independence and controllability of chips for power industrial control, basic software, critical materials, and components, strengthening the competitiveness and risk resistance of the power industry chain. The China Semiconductor Industry Association (CSIA) released a statement on maintaining the global development and supply chain security of the semiconductor industry in July 2023. China will always "stick to open cooperation and work with peers from all countries and regions to maintain the globalization of the semiconductor industry".

2. The industry position of the Company

Based on the forward-looking market layout, continuous technological innovation, high-quality product design, scientific cost optimization, trustworthy quality management and the capability of fast delivery, the Company has become one of the several domestic enterprises above the designated size that integrates the full industry-chain processes including the manufacturing of single-crystal silicon wafers, chip design and manufacturing, device design, packaging testing, and terminal sales and services. Meanwhile, the Company adopts the mode of "IDM + Fabless" in high-end fields such as MOSFET, IGBTs and the third-generation semiconductors. The Company has occupied a leading position and a high share in a number of emerging market segments. Especially, it is leading in rectifier bridges and PV diodes globally. Based on the general performance of the Company (aspects such as sales, technological strength and the share of the semiconductor market have been considered), the Company has been recognized by China Semiconductor Industry Association as one of the top three enterprises among the Top 10 Semiconductor Power Device Enterprises in China for several consecutive years, has been rated as one of the top 20 in multiple domestic and international lists of top semiconductor enterprises in China, and has been included in the Top 50 automotive chip companies and the Ministry of Industry and Information Technology's automotive whitelist. The Company has passed certifications from renowned Tier 1 automotive electronics manufacturing systems such as FORVIA, Stanley, Valeo, and Desay SV, and its technology and products have been recognized by several mainstream customers.

II. Principal activity of the Company in the reporting period

1. Main business of the Company

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

As its business scale expands continuously, the Company will gradually turn into a group and become international. Currently, the Company has established a global network of localized research and development, manufacturing, and sales facilities in multiple countries/regions, including six R&D centers and 15 wafer and packaging factories. These facilities integrate the world's best practices with localized product development, tailored to the specific needs of local customers. The Company implements "dual-brands" + "dual circulations" and brand product differentiation business model, with the "YJ" brand mainly focusing on the domestic and Asia-Pacific markets while "MCC" focusing on European and American markets. It has achieved the global market channel coverage of the two brands. The Company continuously expanded the coverage of its domestic and overseas sales and technical networks, provided direct professional and technical support services for terminal customers, and continued to improve its international service level. With its high-quality market services, perfect marketing networks and high-performance product quality, the Company has established a sound brand image in domestic and international markets.

2. Business model of the Company

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

(1) Supply chain model

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

The Company has established a supplier cooperation and win-win mechanism, emphasizing an open partnership model. Through regular and close interactions with suppliers, it achieves information sharing, risk sharing, and mutual benefits. It also implements a diversified procurement strategy to reduce costs, increase flexibility, and enhance competitiveness: adopting an elastic procurement strategy to more rapidly respond to changing market demands, ensuring the accuracy and effectiveness of procurement decisions; centralizing procurement management to integrate and aggregate while considering the differentiated characteristics of various business units; strengthening internal procurement controls to ensure better cost and timely technical services under the assurance of material quality; establishing a supplier performance assessment system and supplier database for real-time monitoring of supplier performance, quickly identifying and

resolving potential issues; and establishing a supplier risk assessment mechanism to comprehensively monitor the financial and market status of suppliers, reducing potential risks in supplier cooperation and enhancing the stability of supply partnerships.

The Company has integrated IBP and SRM software systems to refine the management of procurement, allowing real-time analysis and monitoring of procurement data, clearly understanding the entire procurement process, promptly identifying issues such as procurement anomalies, and rapidly adjusting procurement strategies. It has established an online platform for supplier quoting, bidding, and tendering to ensure transparency and effective management of procurement costs, aligning decision-making across the board to achieve optimal total costs.

(2) Operation model

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

(3) Marketing model

The Company implements "dual-brands" + "dual circulations" and brand product differentiation business model. It mainly popularizes the products of the "MCC" brand against leading international brands such as ONESEMI in the European and American markets. In China and the Asia-pacific market, the Company mainly promotes the "YJ" brand, and establishes strategic partnerships with top customers in various industries by continuously expanding its direct selling channels (multiple domestic sales and technical service centers, and 12 overseas sales and technical service centers in the United States, South Korea, Japan, India, and Singapore). Meanwhile, it actively responds to the call of the state to "let domestic and foreign markets boost each other" and actively expands its international business. During the Reporting Period, the Company invested in and established a subsidiary in Vietnam, Mico (Vietnam) Co., Ltd. The project was successfully launched, making Vietnam the second manufacturing base to serve international customers and deeply engage in the international market and further optimize its global industrial layout.

III. Core competitiveness analysis

1. R&D technology:

(1) Advanced R&D technology platform

The Company, inspired by benchmarking against international leaders such as Infineon and ONESEMI, has integrated R&D teams from various divisions to establish a company-level R&D center and formally created its Central Research Institute. The Company had the SiC R&D team, the GaN R&D team, the IGBT R&D team, the MOSFET R&D team, the diode and transistor chip R&D team, the Clip packaging R&D team, the WB packaging R&D team, the 8" wafer Changsha R&D team, the IGBT Japan R&D team, the MOSFET Taiwan R&D team, and the monocrystalline silicon Chengdu R&D team. It has established a simulation platform covering chip, packaging and application, improved the testing center for product parameters, and improved the construction of new energy and automotive electronic application platform. It formed a complete R&D and technical service system from wafer design and R&D to packaging product R&D, from silicon-based to third-generation semiconductor R&D, and from pre-sales technical support to after-sales technical services, which provided strong support for the Company's new product development, technical bottleneck breakthrough, and market expansion. During the Reporting Period, the Company partnered with Southeast University to establish the "Yangjie-Southeast University Joint R&D Center of Broad Forbidden Band Semiconductors", focusing on the development and industrialization of third-generation semiconductors like silicon carbide.

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

(2) Complete technical talent system

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

(3) Continuously enriched R&D patents

Patents are the key to an enterprise's development. In recent years, the Company has continuously stepped up its investment in the R&D of patented technologies, enriched the patent reserve of core technologies, and laid a solid foundation for its advantageous position amid fierce market competition. During the Reporting Period, the Company applied for a total of 171 intellectual property rights (including 51 domestic invention patents, four PCT inventions, two software copyrights, 91 utility models, 17 integrated circuit layout designs, and six design patents) and received authorization for 111 (including 17 domestic invention patents, three software copyrights, 60 utility models, 27 integrated circuit layout designs, and four design patents).

2. Marketing

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

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

(2) Continuously implement key account marketing

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

(3) Focus on new markets and build new capabilities

The Company keeps in step with the development opportunities in the new downstream markets and fields, and prioritizes market growth opportunities in the new energy vehicle and clean energy sectors. It focuses on expanding top customers in automotive electronics, photovoltaics, stored energy, and wind energy to leverage the core advantages of IDM and one-stop product solutions. During the Reporting Period, the Company recorded dramatic increases in the results and shares of automotive electronics and clean energy industries. Besides, the Company rapidly reached cooperation with top customers in various fields at home and abroad. It continued to expand its cooperation with SMA, SOLAREEDGE, and other customers and has obtained customer certification and orders from Aptiv, BorgWarner, and UAES.

3. Operation management:

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

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

(2) The Company promoted continuous cost management, and took various measures such as cost reduction through R&D innovation, lean improvement, value flow improvement, and informatization to greatly reduce failure cost, turn production quality stabler and customer delivery faster, and effectively make up for cost impact caused by the periodical reduction in production capacity. The Company has introduced an integrated supply chain IBP to streamline the flow of demand, capacity, material supply, and delivery information, achieving balanced production and rapid delivery, effectively enhancing supply chain responsiveness, collaboration, and delivery efficiency.

(3) During the Reporting Period, the Company acquired 30% equity interest in Hunan Jiechuwei Semiconductor Technology Co., Ltd. by public delisting, to increase the cumulative equity interest to 70% and achieve a controlling interest in Jiechuwei. It further improved its core capabilities in wafer manufacturing, formed complete manufacturing capacity for 5-inch, 6-inch, and 8-inch wafer products, and strengthened its core competitiveness.

IV Analysis of core business

1. Overview

(1) Major operations of the Company during the Reporting Period

1) R&D technology

a) The Company actively promoted the management and implementation of key R&D projects. The full series of 10A-200A trench 1200V IGBT chips on 8-inch and 12-inch platforms based on Fabless mode have completed development. In terms of the G2 and G3 platforms, the Company has successfully developed various IGBT chips used in frequency converters, photovoltaic storage, and power supply fields, including 1200V/35A to 200A, 950V/200A, and 650V/50A to 100A models. Corresponding PIM and 6-pack power modules of 1200V/10A to 200A, and half-bridge modules from 50A to 900A, have also been launched in the market. The Company has strategically focused on application fields such as industrial control, photovoltaic inverters, and new energy vehicles. During this Reporting Period, the Company's market share in IGBT modules has rapidly increased, gradually becoming an important player integrating chip design and module packaging. Meanwhile, the Company aimed at the clean energy market, utilized the Trench Field Stop type IGBT technology to significantly lower the component saturation voltage drop and switching loss by adopting high-density component structure design and advanced back processing technology. It has successfully launched the 1200V series, and 650V series of TO220, TO247, and TO247PLUS encapsulation products and took the performance of foreign mainstream manufacturers as a benchmark. During the Reporting Period, the Company's 1200V single tubes for Positive Temperature Coefficient (PTC) thermistors of vehicles passed the certification in line with the

Automotive Grade and delivered such products in large quantities to its customers. With respect to the PV field, it developed 1200V/160A and 650V/400A and 450A tri-level IGBT modules and launched them to the market. Meanwhile, the Company began to develop the next-generation 950V/600A tri-level IGBT modules. In regard to new energy vehicle controllers, the Company tackled tough issues in low-inductance packaging, multichip flow equalization, copper interconnection, and silver sintering and developed 750V/820A IGBT and 1200V/2m Ω SiC modules with three-phase bridges.

b) The Company continued to invest more in the industry of third-generation semiconductor chips and stepped up efforts to research and develop SiC and GaN power components to further meet the Company's demands for subsequent strategic development. During the Reporting Period, the Company and the School of Integrated Circuits, Southeast University, entered into an agreement to jointly construct the "Yangjie-Southeast University Joint R&D Center of Broad Forbidden Band Semiconductors" and further consolidate the R&D of third-generation semiconductors. The Company has developed and launched the G1 and G2 series of SiC MOS products, covering models from 650V/1200V/1700V at 13m Ω to 1000 m Ω , and has commenced mass shipments. Notably, the 1200V SiC MOS platform has achieved a specific on-resistance (RSP) of less than 3.5m Ω .cm², with a Figure of Merit (FOM) value reaching below 3300m Ω .nC, aligning with international standards. Additionally, SiC module products such as the FJ and Easy Pack series have been developed. These products are now widely used in new energy vehicles, photovoltaics, charging piles, energy storage, and industrial power supplies.

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

c) In line with the Company's strategic direction in automotive electronics and based on the Fabless model for 8-inch and 12-inch G2 platforms, the 40V SGT MOSFET chips have been developed for motor drive applications such as automotive EPS, BCM, oil pumps, and water pumps. A range of products from 0.6mR to 7mR has been successfully laid out and passed automotive-grade reliability verification, with some customers having completed testing and entered the mass production stage; N60V/ N100V/ N150V/ P100V chips have been developed for automotive DC-DC converters, wireless charging, vehicle lighting, and load switches, with many products already in mass production. In data center and security system applications, N30V and N100V SGT devices with less than 2mohm, specifically designed for hot-swappable solid-state drive storage, have been developed using special processes. Throughout the year, the Company has increased R&D investment in SGT MOSFETs, accelerating iterations across voltage platforms. By further optimizing epitaxial specifications and solving numerous technical challenges associated with high-density component structural design, the new generation of N40V/ N60V/ N100V/ N150 devices has achieved a 15% or more reduction in area-specific on-resistance compared to the previous generation, with the N40V reaching an international leading level; the area-specific on-resistance of the P100V has improved by more than 50% over the previous generation, outperforming top international manufacturers. For clean energy, portable energy storage, and high-end power supply applications, the latest generation of SGT technology has been used to develop a series of N60V 1mohm to 9ohm, N100V 1.2mohm to 9mohm, and 150V 5.6mohm to 13mohm products; also employing proprietary innovative technology for product development in a 12-inch wafer facility, using advanced manufacturing processes to ensure superior performance and reliability, with Gross die leading among industry peers.

In 2023, the Company's SJ product platform achieved further technological breakthroughs, enhancing device structural density, further reducing characteristic on-resistance, increasing device power density, significantly enhancing device current capability in the same volume, and optimizing device switching characteristics to provide greater margin for system EMC design, comprehensively improving various parameters and characteristics of the products.

2) Marketing

a) In terms of industries, the Company further improved technological marketing mechanisms. In virtue of the situation of the high-speed development of the industry, the Company mainly focused on such industries as new energy automotive electronics, clean energy, industrial control and network communication and established business relationships with TOP customers in the industries. During the Reporting Period, the sales performance of automotive electronics and clean energy industries grew significantly.

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

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

3) Operation and management

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

b) The Company worked hard on operation and management and continued to drive all manufacturing centers to implement sophisticated operations. During the Reporting Period, based on market supply status, the Company shortened optimized production strategies and upgraded them into MPS/MTS/ATO via scientific approaches, shortened the production cycle by MTS/MPS, responded to customer demands by upgrading MPS, and made customers more satisfied with delivery. In the market environment in 2023, with the objective of "cost priority", the Company actively planned the lean operation activities to optimize costs, lowering costs from R&D innovation, lean improvement, process optimization, and improvement of the value stream through process optimization. It promoted projects to raise efficiency, reduce costs, and reform in all respects so as to foster the capability of lowering costs continuously.

c) The Company built a lean production system and promoted improvement activities of lean production. Through the advancement of lean projects, the Company has comprehensively and thoroughly implemented the principles of lean management across all factory production management. This includes optimizing logistics, improving Overall Equipment Effectiveness (OEE), and introducing on-site Kanban and rapid problem-solving methods. These initiatives have led to the preliminary establishment of the Yangjie Lean Management System. Annual productivity improved by 18.8%, continuously reducing production costs.

(2) Reasons for performance changes during the Reporting Period

1) Despite a downturn in the external market environment, the Company's revenue slightly grew year-over-year in 2023. The decline in operating income growth in the first three quarters narrowed, and by the fourth quarter, the Company achieved year-over-year revenue growth. During the Reporting Period, sales of the Company's PV diodes, silicon carbide products, and IGBT products increased significantly. However, due to intensified industry competition, the gross margins of these products are currently below the Company's average, leading to an overall decline in gross margin.

2) The Company continues to focus on customer and market demands, increasing investments in new product development. In 2023, the Company further secured its core capabilities in wafer manufacturing by continuing the acquisition of a 30% stake in Hunan Jiechuwei, thus gaining control of the Company. However, as Hunan Jiechuwei is still in the R&D and capacity ramp-up phase, with high initial investments, the economic benefits have yet to be realized.

3) The Company holds an indirect stake in WeEn Semiconductors Co., Ltd (listed on the NEEQ, stock code: 873928) through its ownership of shares in Beijing Guangmeng Semiconductor Industry Investment Center (LP). In 2023, the fair value change of this investment reached RMB204 million, determined by referencing the valuation at the time of WeEn's recent private stock issuance and the Company's proportionate share ownership.

2. Revenue and cost

(1) Composition of operating income

Operating income overview

Unit: RMB

	2023		2022		YoY Increase/Decrease
	Amount	Proportion to the Operating Revenue	Amount	Proportion to the Operating Revenue	
Total operating income	5,409,834,952.38	100%	5,403,532,033.34	100%	0.12%
By industry					
Electronic components	5,285,839,803.15	97.71%	5,351,255,110.67	99.03%	-1.22%
Revenue from other business	123,995,149.23	2.29%	52,276,922.67	0.97%	137.19%

By product					
Semiconductor components	4,624,471,616.19	85.49%	4,621,953,048.76	85.53%	0.05%
Semiconductor chips	488,150,926.86	9.02%	484,156,550.92	8.96%	0.83%
Semiconductor silicon wafers	173,217,260.10	3.20%	245,145,510.99	4.54%	-29.34%
Revenue from other business	123,995,149.23	2.29%	52,276,922.67	0.97%	137.19%
By geographical location					
Domestic	4,070,647,855.37	75.25%	3,683,984,586.95	68.18%	10.50%
Overseas	1,215,191,947.78	22.46%	1,667,270,523.72	30.85%	-27.11%
Others	123,995,149.23	2.29%	52,276,922.67	0.97%	137.19%
By sales model					
Direct selling	3,843,883,755.91	71.06%	3,609,075,257.40	66.79%	6.51%
Distribution	1,441,956,047.24	26.65%	1,742,179,853.27	32.24%	-17.23%
Revenue from other business	123,995,149.23	2.29%	52,276,922.67	0.97%	137.19%

(2) Industries, products, region and selling models from which the operating revenue or operating profit accounts for over 10% of the Company's total

Applicable Not applicable

Unit: RMB

	Operating income	Operating cost	Gross Margin	Increase/decrease in the operating income from the same period of the previous year	Increase/decrease in the operating costs from the same period of the previous year	Increase/decrease in the gross margin from the same period of the previous year

By industry						
Electronic components	5,285,839,803.15	3,730,857,754.16	29.42%	-1.22%	8.79%	-6.49%
Revenue from other business	123,995,149.23	41,736,312.72	66.34%	137.19%	224.41%	-9.05%
By product						
Semiconductor or components	4,624,471,616.19	3,220,494,851.39	30.36%	0.05%	9.76%	-6.16%
Semiconductor or chips	488,150,926.86	374,276,334.84	23.33%	0.83%	17.40%	-10.82%
Semiconductor or silicon wafers	173,217,260.10	136,086,567.93	21.44%	-29.34%	-22.93%	-6.53%
Revenue from other business	123,995,149.23	41,736,312.72	66.34%	137.19%	224.41%	-9.05%
By geographical location						
Domestic	4,070,647,855.37	3,024,644,379.92	25.70%	10.50%	19.71%	-5.71%
Overseas	1,215,191,947.78	706,213,374.24	41.88%	-27.11%	-21.77%	-3.97%
Revenue from other business	123,995,149.23	41,736,312.72	66.34%	137.19%	224.41%	-9.05%
By sales model						

In case of adjustment in statistical scope of principal businesses of the Company during the Reporting Period, the principal business data of the Company in the latest year according to adjusted scope at the end of the Reporting Period

Applicable Not applicable

(3) Whether the Company's revenue from sales of goods in kind is greater than its revenue from labor services

Yes No

By industry	Item	Unit	2023	2022	YoY Increase/Decrease
Semiconductor components	Sales volume	'000 pcs	39,157,150.54	35,687,713.82	9.72%
	Production volume	'000 pcs	40,639,028.23	39,935,777.99	1.76%
	Inventory	'000 pcs	7,549,203.87	7,689,407.38	-1.82%
Semiconductor chips	Sales volume	'000 pcs	31,512,345.91	28,382,576.98	11.03%
	Production volume	'000 pcs	29,808,950.20	28,504,776.50	4.58%
	Inventory	'000 pcs	2,211,961.13	3,888,329.30	-43.11%
Semiconductor silicon wafers	Sales volume	10,000 pcs	2,051.02	1,849.64	10.89%
	Production volume	10,000 pcs	2,050.15	1,881.80	8.95%
	Inventory	10,000 pcs	299.83	299.81	0.01%

Reasons for any YoY movements over 30% in relevant data

Applicable Not applicable

During the Reporting Period, the inventory of semiconductor chips decreased by 43.11%. This was primarily due to an increase in the sales volume of the Company's semiconductor chips, where the growth in production volume was lower than the growth in sales, resulting in a decrease in inventory.

(4) Performance of major sales contracts and procurement contracts signed by the Company as of the Reporting Period

Applicable Not applicable

(5) Composition of operating cost

Product Type

Product Type

Unit: RMB

Product Type	Item	2023		2022		YoY Increase/Decrease
		Amount	Proportion to Operating Cost	Amount	Proportion to Operating Cost	
Semiconductor or components	Material	2,408,286,049.87	74.78%	2,179,594,864.35	74.28%	10.49%
Semiconductor or components	Labor	196,128,136.45	6.09%	195,319,394.01	6.66%	0.41%
Semiconductor or components	Expense	616,080,665.07	19.13%	559,181,299.33	19.06%	10.18%
Semiconductor or chips	Material	214,909,471.47	57.42%	199,064,403.13	62.44%	7.96%
Semiconductor or chips	Labor	37,839,337.45	10.11%	29,452,441.86	9.24%	28.48%
Semiconductor or chips	Expense	121,527,525.92	32.47%	90,300,296.31	28.32%	34.58%
Semiconductor or silicon wafers	Material	100,336,626.53	73.73%	127,030,182.87	71.94%	-21.01%
Semiconductor or silicon wafers	Labor	6,273,590.78	4.61%	6,884,201.03	3.90%	-8.87%
Semiconductor or silicon wafers	Expense	29,476,350.62	21.66%	42,664,837.86	24.16%	-30.91%

Note

No

(6) Whether the scope of consolidation was changed during the Reporting Period Yes No

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

Acquirees	Equity acquisition date	Equity acquisition cost (RMB)	Equity acquisition proportion (%)	Equity acquisition method	Acquisition date
Hunan Jiechuwei	2023-03-31	650,332,415.17	70.00	Acquisition	2023-3-31

2) Change in consolidation scope for other reasons

a) Increase in scope of combination

Name of company	Way to gain equity	Time and place of gaining equity	Amount of Contribution	Proportion of Contribution
MCC Singapore	Set-up	March 2023	USD 18,147,500.00	100.00%
YJ	Set-up	May 2023	JPY 6,000,000.00	100.00%
MCC Vietnam	Set-up	August 2023	USD 18,000,000.00	100.00%

b) Decrease in the consolidation scope

Name of company	Method of equity disposal	Equity disposal date	Net assets on disposal date	Net profit from the beginning of the period to the disposal date Net profit (RMB)
Jaywin Chip Company	De-registered	November 2023		3,348,596.94
Inner Mongolia Qingyang Company	De-registered	July 2023		22,395.68

(7) Significant changes or adjustments to business, products or services during the Reporting Period

Applicable Not applicable

(8) Major customers and suppliers

Major customers

Total sales of the top five customers (RMB)	731,388,285.03
Proportion of the total sales of the top five customers over the year's total	13.52%
Proportion of the sales of related parties in the top five customers over the year's total	0.00%

Information on the top five customers

No.	Name	Sales (RMB)	Proportion of sales amount over total sales amount for the year
1	No. 1	205,253,934.36	3.79%
2	No. 2	141,078,263.19	2.61%
3	No. 4	135,022,439.27	2.50%
4	No. 4	130,815,894.85	2.42%
5	No. 5	119,217,753.36	2.20%
Total	--	731,388,285.03	13.52%

Other information of major customers

Applicable Not applicable

Major suppliers

Total purchases attributable to the top five suppliers (RMB)	903,869,539.65
Proportion of the total purchases attributable to the top five suppliers over the year's total	26.43%
Proportion of purchases of related parties in the top five suppliers over the year's total	0.00%

Information on the top five suppliers

No.	Supplier name	Purchases (RMB)	Proportion of purchase amount over total purchase amount
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			for the year
1	No. 1	328,411,787.89	9.60%
2	No. 2	241,623,039.89	7.07%
3	No. 4	136,270,549.79	3.99%
4	No. 4	100,271,511.92	2.93%
5	No. 5	97,292,650.16	2.84%
Total	--	903,869,539.65	26.43%

Other information of major suppliers

Applicable Not applicable

3. Expenses

Unit: RMB

	2023	2022	YoY Increase/Decrease	Statement on Significant Changes
Sales expenses	208,068,891.13	170,909,875.62	21.74%	
Administrative expenses	333,052,395.47	271,211,732.65	22.80%	
Financial expenses	-121,579,006.69	-10,688,585.26	-1,037.47%	Mainly due to the increase in the interest income by the Company in this year.
Research and development expenses	355,851,029.26	292,703,879.98	21.57%	

4. R&D Investments

Applicable Not applicable

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the future development of the Company

IGBT supporting FRD chip development and industrialization for new energy vehicles	Develop new products, enhance the Company's R&D and innovation capabilities, expand into the new energy market, and further achieve import substitution.	The project, led by J&V Semiconductor in collaboration with Beijing University of Technology, commenced on June 1, 2021, and concluded on December 31, 2023. The total actual investment was RMB141,645,600, and it successfully completed the development and industrialization of IGBT supporting FRD chips for new energy vehicles.	Achieve all core technological indicators for "IGBT supporting FRD chip development and industrialization for new energy vehicles", application assessment indicators, and performance goals during the project implementation period. Address four critical technical challenges; attain a 100% compliance rate for key technology and application assessment indicators; invest RMB26 million in R&D; complete one demonstration project showcasing the breakthroughs achieved.	The economic benefits have significantly increased. The project has achieved a monthly production capacity of 5,000 FRD slices, resulting in monthly sales of RMB10.2 million and annual sales of RMB120.5 million, generating an additional profit and tax of RMB36.1 million.
Development of 1200V 80mΩ planar gate silicon carbide MOSFET	The objective of this project is to design and develop a series of 1200V 80mΩ silicon carbide MOSFETs, achieve mass industrial production, and apply them in new energy vehicles and charging pile stations.	In collaboration with customers.	Enhance the performance and competitiveness of the Company's silicon carbide MOSFETs, contributing to the Company's profitability.	Enhance the performance and competitiveness of the Company's silicon carbide MOSFETs, contributing to the Company's profitability.
Automotive-grade 60V-20mR N-type trench MOSFET Chip design and development	To establish robust standards for automotive-grade trench MOSFET product design, ensuring stable production and thereby improving	Product development validation completed.	In line with the Company's strategic direction in automotive electronics, provide solutions for vehicle-mounted DC-DC	Meet end-customer demands for product diversity, enrich the Company's automotive product line, and capture market

	the stability and consistency of automotive product performance.		converters and load switches, successfully pass automotive-grade reliability verification, with some customer testing completed and entering mass production phase.	share.
Automotive-grade 40V N-type shielded gate trench (SGT) MOSFET chip design and development	As the automotive industry undergoes transformations towards connectivity, electrification, and shared mobility, which drive rapid semiconductor development, MOSFETs with higher voltage ratings, better heat dissipation, and lower conduction and switching losses are becoming increasingly crucial in vehicle lightweighting, energy efficiency, and miniaturization of electrical systems. Shielded gate SGT MOSFET combines low power loss, high switching speed, and excellent high-frequency characteristics, becoming the mainstream switching device in the medium and low voltage sectors. Develop a high-performance, reliable, and stable 40 V automotive-grade SGT	Product development validation has been completed	In accordance with the Company's strategic direction in automotive electronics, complete the product layout for applications such as automotive EPS, BCM, oil pumps, and water pumps ranging from 0.6 mR to 7 mR, successfully pass automotive-grade reliability verification, with some customer testing completed and entering mass production phase;	Meet end-customer demands for product diversity, enrich the Company's automotive product line, and capture market share.

	MOSFET, establish a design method and technology platform for automotive-grade 40V SGT, ensuring that subsequent products from this platform meet downstream end-user demands and gradually replace similar foreign automotive devices.			
Automotive-grade 100V N-type shielded gate trench (SGT) MOSFET chip design and development	This project begins with the design of N-type 100V Shielded Gate Trench (SGT) MOSFET chips, optimizing layout designs to improve stability and consistency in mass production, providing design standards that meet automotive-grade requirements, and offering reliable automotive-grade product solutions from a design perspective.	In collaboration with customers.	In accordance with the Company's strategic direction in automotive electronics, provide solutions for applications such as vehicle-mounted DC-DC converters and vehicle lighting. Enrich the Company's automotive product line and capture market share.	Meet end-customer demands for product diversity, enrich the Company's automotive product line, and capture market share.
Distributed photovoltaic three-level N-series module development	N-series products including 160AT three-level and 450A 650V single-line three-level products, mainly used in photovoltaic inverters.	In collaboration with customers.	Establish testing, design, and technological development platforms for photovoltaic three-level modules, and enhance the 650V and 1200V G2, G3 IGBT chip design and technology platforms.	Establish a research and development platform for photovoltaic three-level modules and secure a strong position in the photovoltaic market.
Automotive application HPD power module	HPD series products include 820A/750V	Product development validation in	Establish automotive HPD research, testing,	Establish automotive-grade manufacturing and

development	products, mainly used in automotive-grade inverters.	progress.	and simulation platforms, and complete performance and reliability testing of the products.	research and development platforms, with customer testing approval.
Development of photovoltaic application boost hybrid SiC modules	The P3 product is a 225A 1200V boost circuit that includes SiCFRD 1200V, primarily for the photovoltaic boost sector.	In collaboration with customers.	Series production of 60KW photovoltaic boost products, split-body needle process for mass production.	Enter the photovoltaic boost market, enhancing the brand's value.
Development of LFPACK series high-performance ultra-low impedance Clip package products	Develop new products in conjunction with ultra-low internal resistance MOSFET chips to reduce the packaging's parasitic resistance, improve moisture and high-temperature resistance, vibration resistance, and reduce SMT soldering stress. Main applications include vehicle safety components, chassis control, and braking systems.	In collaboration with customers.	Packaging development is completed, mass production is realized, and the quality meets customers' requirements.	Develop automotive-grade power packaging products, meet diverse customer demands within automotive regulations, and accelerate domestic substitution.
Development of the PDFN5060 high-performance ultra-low-impedance FullClip product	Develop new products in conjunction with ultra-low internal resistance MOSFET chips to reduce the packaging's parasitic resistance, providing high current capacity, excellent heat dissipation, and	In collaboration with customers.	Packaging development is completed, mass production is realized, and the quality meets customers' requirements.	Develop automotive-grade power packaging products, meet diverse customer demands within automotive regulations, and accelerate domestic substitution.

	surge protection capabilities; enrich the Company's existing product portfolio. Main applications are in automotive.			
Development of the GaN grid-electrode ESD protection devices	For its high frequency characteristic, GaN HEMT is often used as the switching tube for high frequency and high efficiency circuits. It has very small Qg and Ciss, so it's vulnerable to electrostatic damage, so GaN HEMT functioning with ESD protection is the future trend of the market.	In collaboration with customers.	It will expand the Company's product matrix of 3rd-generation semiconductors, and help the Company seize the development opportunities of 3rd-generation semiconductors.	It will expand the Company's product matrix of 3rd-generation semiconductors, and help the Company seize the development opportunities of 3rd-generation semiconductors.

R&D personnel of the Company

	2023	2022	Changes of Proportion
Number of R&D personnel	962	851	13.04%
Proportion of R&D personnel	16.03%	16.53%	-0.50%
Education background of R&D personnel			
Bachelor's degree	512	495	3.43%
Master	93	67	38.81%
Doctorate	3	3	0.00%
Total	608	565	7.61%
Age of R&D personnel			
Below 30	462	410	12.68%

Aged from 30 to 40	393	351	11.97%
Total	855	761	12.35%

Proportion of R&D investment to the operating income in the past three years

	2023	2022	2021
R&D investment (RMB)	355,851,029.26	292,703,879.98	241,843,150.52
Proportion of R&D investment to operating income	6.58%	5.42%	5.50%
Amount of capitalized R&D expenditure (RMB)	0.00	0.00	0.00
Proportion of capitalized R&D expenditure to R&D investment	0.00%	0.00%	0.00%
Proportion of capitalized R&D expenditure to the net profit of the Reporting Period	0.00%	0.00%	0.00%

Reasons for significant changes in the composition of the Company's R&D personnel and effects

Applicable Not applicable

Reasons for the significant changes in the proportion of total R&D investment to the operating income compared with the previous year

Applicable Not applicable

Reasons and explanations for the significant changes in the proportion of capitalization of R&D investment

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2023	2022	YoY Increase/Decrease
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Sub-total of cash generated from operating activities	4,576,455,369.88	5,175,846,374.72	-11.58%
Sub-total of cash used in operating activities	3,677,035,119.69	4,377,396,421.25	-16.00%
Net cash flows from operating activities	899,420,250.19	798,449,953.47	12.65%
Sub-total of cash generated from investing activities	350,706,389.20	1,726,936,338.48	-79.69%
Sub-total of cash used in investing activities	806,296,338.72	2,489,549,976.45	-67.61%
Net cash flows from investing activities	-455,589,949.52	-762,613,637.97	40.26%
Sub-total of cash generated from financing activities	2,867,104,332.10	1,283,203,364.03	123.43%
Sub-total of cash used in financing activities	1,316,456,103.72	1,000,252,087.91	31.61%
Net cash flows from financing activities	1,550,648,228.38	282,951,276.12	448.03%
Net increase in cash and cash equivalents	2,045,420,583.35	370,765,557.48	451.67%

Description of main factors behind the significant year-over-year changes in relevant data

Applicable Not applicable

(1) Net cash flows from operating activities were RMB899,420,250.19, an increase of 12.65% compared with the same period of the previous year, which was mainly due to a reduction in cash paid for the purchase of goods and acceptance of services during the Reporting Period.

(2) Net cash flows from investing activities were RMB-455,589,949.52, an increase of 40.26% compared with the same period of the previous year, which was mainly due to the decrease in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets during the Reporting Period.

(1) Net cash flows from financing activities were RMB 1,550,648,228.38, an increase of 448.03% compared with the same period of the previous year, which was mainly due to the Company's issuance of Global Depositary Receipts (GDR).

Explanations for great differences between the net cash flows from operating activities of the Company during the Reporting Period and the net profits of the current year

Applicable Not applicable

V. Situation of non-principal business

√Applicable Not applicable

Unit: RMB

	Amount	Proportion to the Total Profit	Reasons for the Changes	Sustainable or not
Investment income	50,643,422.93	4.86%	Mainly due to the gain arising from the remeasurement of the original equity interest at fair value when the Company acquired control of an associate, combined with the investment income generated from the disposal of long-term equity investments.	No
Gains or losses from changes in fair value	185,923,823.82	17.85%	Mainly due to the Company's indirect ownership of WeEn Semiconductors Co., Ltd through Beijing Guangmeng Semiconductor Industry Investment Center (LP). During this period, the change in fair value gain/loss of RMB204 million was determined based on the valuation at the time of WeEn Semiconductors Co., Ltd's private stock issuance and the Company's proportionate shareholding.	No

Asset impairment	-61,171,819.94	-5.87%	Mainly due to the reserve fund for market diminution in value of inventory.	No
Non-operating income	6,000,188.68	0.58%	Mainly due to the income from quality indemnity and payments unable to clear.	No
Non-operating expenses	18,732,039.70	0.65%	Mainly due to the external public welfare donations.	No
Credit impairment losses	-19,013,082.49	-1.83%	Mainly due to the accrual of allowance for bad debts of accounts receivable and other receivables during the Reporting Period.	No
Asset disposal income	1,492,354.95	0.14%	Mainly due to the return on disposal of fixed assets.	No

VI. Analysis of assets and liabilities

1. Significant changes in the asset structure

Unit: RMB

	At the end of 2023		Beginning of 2023		Increase/Decrease	Statement on Significant Changes
	Amount	Proportion to the Total Assets	Amount	Proportion to the Total Assets		
Monetary capital	3,518,238,062.56	27.86%	1,457,284,129.97	15.37%	12.49%	Mainly due to the arrival of funds raised from the Company's issuance of global deposition receipts (GDRs).

Accounts receivable	1,515,579,463.24	12.00%	1,208,174,469.34	12.74%	-0.74%	No significant changes.
Contract assets	1,609,591.36	0.01%		0.00%	0.01%	Mainly due to the increase in the warranty deposits receivable by the Company in this year.
Inventories	1,145,317,621.74	9.07%	1,213,168,285.70	12.79%	-3.72%	No significant changes.
Long-term equity investments	62,372,039.75	0.49%	466,606,774.74	4.92%	-4.43%	Mainly due to the Company's acquisition of 30% equity interest of Hunan Jiechuwei Semiconductor or Technology Co., Ltd. by public delisting this year, which resulted in an accumulated transfer of 70%; Hunan Jiechuwei Semiconductor or Technology Co., Ltd. became a holding subsidiary of the Company and was included in the scope of consolidated

						statements.
Fixed assets	3,480,422,021.32	27.56%	2,914,129,006.48	30.73%	-3.17%	No significant changes.
Construction in progress	720,260,135.67	5.70%	461,878,389.19	4.87%	0.83%	Mainly due to the Company's acquisition of 30% equity interest of Hunan Jiechuwei Semiconduct or Technology Co., Ltd. by public delisting this year, which resulted in an accumulated transfer of 70%; Hunan Jiechuwei Semiconduct or Technology Co., Ltd. became a holding subsidiary of the Company and was included in the scope of consolidated statements.
Right-of-use assets	117,816,524.02	0.93%	7,434,752.94	0.08%	0.85%	Mainly due to the Company's acquisition of 30% equity interest of Hunan Jiechuwei Semiconduct or

						Technology Co., Ltd. by public delisting this year, which resulted in an accumulated transfer of 70%; Hunan Jiechuwei Semiconduct or Technology Co., Ltd. became a holding subsidiary of the Company and was included in the scope of consolidated statements.
Short-term loan	553,968,908.45	4.39%	273,121,541.00	2.88%	1.51%	Mainly due to the Company's increase in banking facilities with a term shorter than one year and acquisition of 30% equity interest of Hunan Jiechuwei Semiconduct or Technology Co., Ltd. by public delisting this year, which resulted in an accumulated transfer of 70%; Hunan Jiechuwei

						Semiconduct or Technology Co., Ltd. became a holding subsidiary of the Company and was included in the scope of consolidated statements.
Contract liabilities	35,088,567.84	0.28%	37,431,854.37	0.39%	-0.11%	No significant changes.
Long-term loans	395,095,778.15	3.13%	400,283,333.33	4.22%	-1.09%	No significant changes.
Lease liabilities	101,217,303.95	0.80%	4,863,114.56	0.05%	0.75%	Mainly due to the Company's acquisition of 30% equity interest of Hunan Jiechuwei Semiconduct or Technology Co., Ltd. by public delisting this year, which resulted in an accumulated transfer of 70%; Hunan Jiechuwei Semiconduct or Technology Co., Ltd. became a holding subsidiary of the Company

						and was included in the scope of consolidated statements.
Financial assets held for trading	41,785,067.71	0.33%	63,200,000.00	0.67%	-0.34%	Mainly due to the Company's redemption of short-term risk-controllable financial products this year.
Prepayments	59,693,121.73	0.47%	116,807,347.04	1.23%	-0.76%	Mainly due to the decrease in prepayments for supplier materials of the Company in this year.
Other receivables	12,420,738.13	0.10%	22,043,111.30	0.23%	-0.13%	Mainly due to the return of investment deposits received by the Company in this year.
Other current assets	33,323,514.88	0.26%	135,165,283.82	1.43%	-1.17%	Mainly due to the redemption of principal guaranteed fixed-income financial products by the Company in this year.
Other non-current financial	649,575,265.88	5.14%	442,446,494.05	4.67%	0.47%	Mainly due to the Company's

assets						holding of an indirect stake in WeEn Semiconductors Co., Ltd (stock code: 873928, hereinafter referred to as WeEn) through its ownership of shares in Beijing Guangmeng Semiconductor Industry Investment Center (LP). In this year, the new fair value change is determined by referencing the valuation at the time of WeEn's recent private stock issuance and the Company's proportionate share ownership.
Intangible assets	211,533,873.67	1.68%	129,755,445.13	1.37%	0.31%	Mainly due to the Vietnam land use right obtained by the Company in this year.
Goodwill	313,851,069.78	2.49%	163,664,335.43	1.73%	0.76%	Mainly due to the Company's acquisition of 30%

						equity interest of Hunan Jiechuwei Semiconduct or Technology Co., Ltd. by public delisting this year, which resulted in an accumulated transfer of 70%; Hunan Jiechuwei Semiconduct or Technology Co., Ltd. became a holding subsidiary of the Company and was included in the scope of consolidated statements.
Deferred tax assets	14,231,497.36	0.11%	8,669,141.34	0.09%	0.02%	Mainly due to the increase in deferred tax assets this year for the recognition of deferred income tax by the Company.
Notes payable	239,394,631.11	1.90%	404,866,538.45	4.27%	-2.37%	Mainly due to the decrease in bank acceptance receivable of the Company in this year

Other payables	50,397,974.95	0.40%	32,643,884.26	0.34%	0.06%	Mainly due to the increase in the temporary supplier deposits payable by the Company in this year.
Current portion of non-current liabilities	445,321,187.64	3.53%	102,412,112.30	1.08%	2.45%	Mainly due to the increase in the Company's long-term borrowings due within one year.
Other current liabilities	3,594,982.83	0.03%	2,394,362.02	0.03%	0.00%	Mainly due to the increase in the tax amount due for transfer by the Company this year.

A high proportion was recorded in offshore assets

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening balance	Gains and losses from changes in fair value in the Reporting Period	Accumulative changes in fair value included in equity	Impairments accrued in the Reporting Period	Purchase amount in the Reporting Period	Selling amount in the Reporting Period	Other changes	Closing balance
Financial assets								
1. Transaction	63,200,00	- 3,598,181.			141,383,2	159,200,0		41,785,06

nal financial assets (excluding derivative financial assets)	0.00	27			48.98	00.00		7.71
5. Other non-current financial assets	442,446,494.05	189,522,005.09			17,830,331.94		223,565.20	649,575,265.88
Sub-total of financial assets	505,646,494.05	185,923,823.82			159,213,580.92	159,200,000.00	223,565.20	691,360,333.59
Accounts receivable financing	231,592,339.12				2,416,609,401.09		2,430,483,986.98	217,717,753.23
Total of above	737,238,833.17	185,923,823.82			2,575,822,982.01	159,200,000.00	2,430,707,552.18	909,078,086.82
Financial liabilities	0.00							0.00

Other changes

No

Material changes in measurement of major assets during the Reporting

Yes No

3. Restricted assets right as at the end of the Reporting Period

Item	The carrying balance at the end of the Reporting Period (RMB)	The carrying amount at the end of the Reporting Period (RMB)	Type of restriction	Reason for restriction
Monetary capital	6,567,011.77	6,567,011.77	Frozen	Litigation frozen claim funds
Monetary capital	581,474.92	581,474.92	Deposits	Deposits for letters of credit
Fixed assets	155,804,607.91	94,519,955.53	Mortgaged	Pledge for borrowings

Item	The carrying balance at the end of the Reporting Period (RMB)	The carrying amount at the end of the Reporting Period (RMB)	Type of restriction	Reason for restriction
Intangible assets	47,113,404.30	41,109,837.78	Mortgaged	Pledge for borrowings
Total	210,066,498.90	142,778,280.00		

VII. Analysis of investment

1. Overall status

Applicable Not applicable

Investment Amount in the Reporting Period (RMB)	Investment Amount in the Same Period of the Previous Year (RMB)	Change
452,750,015.72	1,638,028,138.00	-72.36%

2. Material equity investments completed in the Reporting Period

Applicable Not applicable

applicable

Unit: RMB

Name of investee corporation	Principal Business	Method of investment	Investment amount	Percentage of shareholding (%)	Source of funds	Partners	Investment period	Product type	Progress as at the balance sheet date	Expected gains	Gains and losses on investments for the Reporting Period	Whether involved in any legal actions	Date of disclosure (if any)	Disclosure index (if any)
Hunan Chuwei Semiconductor Technology Co., Ltd	Research on semiconductor process equipment and promotion of the development of electronics technology; research and development of semiconductor microfabrication equipment; research and development of semiconductor thermal equipment; research and development of semiconductor component equipment; research and development of semiconductor furnaces and sensors	Acquisition	650,332,415.17	70.00%	Self-owned funds	The 48th Research Institute of China Electronics Technology Group Corporation	Long-term	Semiconductor wafer manufacturing and services	Acquiring 70% equity interest of Hunan Chuwei Semiconductor Technology Co., Ltd. by public delisting	0.00	-29,297,125.40	No	April 3, 2023	For details, see the <i>Announcement on the Progress of Acquiring 30% Equity Interest in Hunan Chuwei Semiconductor Technology Co., Ltd. through Public Delisting</i> (Announcement No.: 2023-015) released by the Company on April 3, 2023, on www.cninfo.com.cn .

Total	--	--	650,332,415.17	--	--	--	--	--	--	0.00	-29,297,125.40	--	--	--
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3. Material non-equity investments in process in the Reporting Period

Applicable Not applicable

4. Investment in financial assets

(1) Investment in securities

Applicable Not applicable

Unit: RMB

Stock type	Stock code	Stock abbreviation	Initial investment costs	Accounting measurement model	The carrying amount at the beginning of the period	Gains and losses from changes in fair value in the Reporting Period	Accumulative changes in fair value included in equity	Purchase amount in the Reporting Period	Selling amount in the Reporting Period	Gains or losses during the Reporting Period	The carrying amount at the end of the period	Accounting items	Source of funds
Domestic and overseas stocks	688469	UNT	17,830,331.94	Measured at fair value	0.00	-2,099,529.42		17,830,331.94	0.00	-2,099,529.42	15,730,802.52	Other non-current financial assets	Self-owned funds
Domestic and overseas stocks	02149	BaTeLab	35,383,248.98	Measured at fair value	0.00	-3,598,181.27		35,383,248.98	0.00	-3,598,181.27	31,785,067.71	Financial assets held for trading	Self-owned funds
Other securities investments held at the end of the Period			38,716,506.85	--	17,898,716.01	-1,200,027.55				-1,423,592.75	16,475,123.26	--	--
Total			91,930,087.77	--	17,898,716.01	-6,897,738.2	0.00	53,213,580.92	0.00	-7,121,303.4	63,990,993.49	--	--

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(2) Derivative investments

Applicable Not applicable

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

5. Use of raised funds

Applicable Not applicable

(1) Overall use of raised funds

Applicable Not applicable

Unit: RMB'0,000

Year of Fundraising	Method for Fundraising	Total Raised Funds	Net Amount of Funds Raised	Total Raised Funds Used in the Reporting Period	Total Raised Funds Used	Total Raised Funds Used with Altered Purposes in the Reporting Period	Total Raised Funds Used with Altered Purposes	Proportion of Total Raised Funds Used with Altered Purposes	Total Unused Raised Funds	Use and Ownership Change of Unused Raised Funds	Raised Funds Remaining Unused for Over Two Years
2023	Authorized to issue Global Depository Receipts (hereinafter referred to as GDR) and to list them on the SIX Swiss	145,762.46	145,762.46	0	0	0	0	0.00%	145,762.46	The funds will continue to be used for capital-raising projects.	0

	Exchange.										
Total	--	145,762.46	145,762.46	0	0	0	0	0.00%	145,762.46	--	0

Statement on the overall use of the raised funds

In 2023, the Company did not utilize any of the raised funds, amounting to USD0. The net amount of bank deposit interest received, after deducting bank fees, was USD4,671,800. As of December 31, 2023, the remaining balance of the raised funds was USD216,786,100.

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

Applicable Not applicable

Unit: RMB'0,000

Project with the committed investment and the investment with the excessively raised funds	Whether the Project Has Been Altered (or Partially Altered)	Total Committed Investment Amount with Raised Funds	Adjusted Total Amount of the Investment (1)	Investment Amount in the Reporting Period	Accumulative Investment Amount at the End of the Reporting Period (2)	Investment Progress at the End of the Reporting Period (3) = (2)/(1)	Planned Date for Project to Reach Designated Usable State	Benefits Obtained in the Reporting Period	Accumulative benefits recorded as at the end of Reporting Period	Whether the Expected Benefits Are Obtained	Whether There Are Any Material Changes in Project Feasibility
Project with the committed investment											
Develop the power component business, including the construction of packaging for small signal products, silicon-based and silicon carbide SBD, and MOSFET	No	87,457.49	87,457.49	0	0	0.00%	April 18, 2026	0	0	N/A	No

products											
Establishment of overseas R&D centers and global sales and after-sales service networks	No	14,576.23	14,576.23	0	0	0.00%	April 18, 2026	0	0	N/A	No
Supplement working capital and serve other general corporate purposes	No	43,728.74	43,728.74	0	0	0.00%		0	0	N/A	No
Subtotal of projects with the committed investment with the raised funds	--	145,762.46	145,762.46	0	0	--	--	0	0	--	--
Investment with the excessively raised funds											
N/A	No										
Total	--	145,762.46	145,762.46	0	0	--	--	0	0	--	--
Statement on the failure to achieve the scheduled progress and/or the anticipated returns and its reasons by	None during the Reporting Period										

<p>project (including the reasons for choosing "not applicable" for "whether the anticipated returns have been achieved")</p>	
<p>Statement on material changes in project feasibility</p>	<p>None during the Reporting Period</p>
<p>Amount, use, and used proportion of excessively raised funds</p>	<p>N/A</p>
<p>Alteration of sites for the implementation of the investment projects with the raised funds</p>	<p>N/A</p>
<p>Adjustment to the implementation methods for investment projects with the raised</p>	<p>N/A</p>

funds	
Early investment and replacement regarding the investment projects with the raised funds	N/A
Temporary replenishment of liquid capital with the idle raised funds	N/A
The amount of, and the reasons for, the positive closing balance of the raised funds after project implementation	N/A
Use and ownership change of unused raised funds	The Company has temporarily placed USD208,961,800 of the raised funds in a fixed deposit account under the designated fundraising account, with the remaining balance of USD7,824,300 of the raised funds also kept in the designated fundraising account.
Problems such as in the use of the raised funds and the disclosure of the use	In accordance with the requirements of local regulatory authorities, the funds raised by the Company must first be transferred domestically before undergoing an approval process for outbound remittance. This procedure ensures that the project's progress is not affected. The Company's fundraising projects are focused on developing power components for the business, including the construction of projects for packaging small signal products, silicon-based and silicon carbide SBD, MOSFETs, and other products. Additionally, the projects involve establishing overseas research and development centers and constructing a global network for sales and after-sales service. During the Reporting Period, the Company invested USD13,291,400 and USD379,400 of its own funds in these projects respectively. No irregularities have been noted in the investment projects funded by the Company's raised funds.

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

Applicable Not applicable

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

VIII. Sale of material assets and equities

1. Sale of material assets

Applicable Not applicable

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

2. Sale of material equities

Applicable Not applicable

IX. Analysis of major companies controlled or invested in by the Company

Applicable Not applicable

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

X. Structured entities controlled by the Company

Applicable Not applicable

11. Outlook for the future development of the Company

1. Industrial pattern and trends

Semiconductors, as the cornerstone of the modern information industry, are the core component of many electric and electronic products. The global semiconductor industry has advanced rapidly in recent decades, in terms of materials, technologies, products, and downstream applications, resulting in a huge industrial scale. Integrated circuits, discrete devices, optoelectronic devices, and sensors constitute the territory of the modern semiconductor industry. Meanwhile, the focus of the industry is gradually shifting from the first-generation single-element semiconductors, such as silicon and germanium to the third-generation semiconductors, represented by silicon carbide (SiC) and gallium nitride (GaN). Furthermore, semiconductors have also been applied to strategic industries, such as new energy vehicles, photovoltaic (PV) power generation, and aerospace, thus becoming the "pearl" of the modern industry and arousing competition among world powers. As the technology competition, trade barriers, and international disputes centering on semiconductors have been deepening, countries around the world have raised the requirement for independent control of core semiconductor technology.

Amid a global economic downturn and changes in trade conditions, the global semiconductor market experienced a downturn in 2023 due to cyclical changes. According to statistics from WSTS, the global semiconductor industry's market size, measured by sales revenue, was USD520.1 billion in 2023, a decrease of 9.4% year-over-year. However, it is expected to achieve rapid growth in 2024 and 2025.

Discrete devices, as a vital branch of the semiconductor industry, are widely applied in all fields of electric and electronic industries. If we compare integrated circuits to the brain, discrete devices will be blood vessels. The long-term stable operation of discrete devices ensures the safety and life of electronic devices and matters the safety of modern electrical and electronic industries. Despite the overall decline in the global semiconductor market, the discrete device market is expected to

maintain a growth of 5.8% in 2023. According to WSTS, the global market size for discrete devices, measured by sales revenue, was USD35.95 billion in 2023, and it is expected to continue a moderate growth trend in the future.

Given the progress of automotive electronics and clean energy, as well as the world's increasingly stringent management of carbon emissions (e.g., the policy of "carbon peaking and carbon neutrality" proposed by the Chinese government), the demand for high-power charging, energy-saving components, Metal Oxide Silicon Field Effect Transistors (MOSFETs), Insulated Gate Bipolar Transistors (IGBTs), and the third-generation semiconductors is growing. In 2023, the global markets for MOSFETs and IGBTs achieved high growth, with WSTS projecting market sizes of USD14.4 billion and USD9.1 billion, respectively, representing year-over-year increases of 17.1% and 25.3%.

The third-generation semiconductor components, represented by SiC and GaN, are gradually replacing silicon-based semiconductor devices, due to their excellent characteristics, such as high temperature, high voltage, and radiation resistance. Increasing enterprises have begun to develop such semiconductor components. Driven by the automotive, industrial, and telecommunication demand, the third-generation semiconductors grew significantly in 2023. According to the latest report of Yole, the market scale of SiC devices is expected to reach USD6,297 million in 2027, with a compound annual growth rate (CAGR) of 34%. The third-generation semiconductors must be the critical materials and electronic components to support the independent innovation, development, transformation, and upgrading of the new-generation industries, such as mobile communication, new energy vehicles, high-speed trains, and the Energy Internet.

Thanks to the development of new energy vehicles and clean energy, the global semiconductor discrete devices will continue to maintain a positive growth trend in 2024. With respect to the Chinese market, domestic substitution and innovation will remain the mainstay of the electronics industry. The domestic substitution of the high value-added process in the industry chain is particularly important. Global trade disputes will continue to expedite the progress of domestic production of mid- and high-end power devices, and the substitution logic will shift from capital-driven to internal circulation-driven. Growing domestic manufacturers of the whole-machine system related to the scenarios of new infrastructure, new energy, digital economy, and information consumption will accelerate to promote the verification and procurement of domestic chips and devices. In accordance with the national "14th Five-year Plan" and China Vision 2035, China will expedite the establishment of a modern industrial system, stick to the independent, controllable, safe, and efficient principle, and accelerate to remove the bottleneck in basic components. The domestic and overseas substitution of the semiconductor industry will continue to speed up. Therefore, in the medium and long term, local Chinese enterprises will still enjoy good market opportunities.

2. Development strategies of the Company

(1) The Company shoulders the mission of "Letting the World Trust China Power Semiconductor", uphold the core values of "Customer First, Passion & Innovation, Diligence/Simplicity & Self-Reflection, Sincerity & Gratitude", and center on power semiconductors. It establishes advantages in R&D, quality, and cost and constantly pushes forward the four development strategies of "brand enhancement, industrial innovation, localization, and internationalization" to achieve synergistic growth across its three main segments: semiconductor silicon materials, wafers, and power devices.

(2) In regard to power devices, the Company will firmly devote enormous resources in power semiconductors and focus on silicon slices, wafers, and devices. It will develop 5-inch, 6-inch, and SiC 6-inch silicon substrates, exert constant efforts for expanding the 8-inch wafer plant and developing the corresponding mid- and high-end power diodes, MOSFETs, IGBTs, and SiC

products. Meanwhile, the Company will continue to invest to expand wafer manufacturing and advanced packaging and testing capacities. Specifically, in terms of MOSFETs, Yangjie Technology will enhance product competitiveness, accelerate the development of high-end products, such as SGT-MOSFETs, SJ-MOSFETs, and automotive-grade MOSFETs, actively align with international brands, and accelerate import substitution. In regard to IGBTs, the Company will gather first-class talent, raise investment in chip R&D, introduce field stop (FS) technology and Micro Pattern Treatment (MPT) for microgroove, vigorously develop IGBT chips, automotive-grade products, high-current modules, and high-voltage modules, and achieve IGBT import substitution. With respect to SiC, the Company has laid out a full range of SiC products, combined high-temperature ion implantation and thin-film technology, and launched SiC series diode products. The SiC MOSFET series products cover 650V/1200V/1700V at 13mΩ to 1000mΩ. Meanwhile, we accelerate the investment in the R&D of Power Management Integrated Circuits (PMICs), and make steady efforts to enhance the position of power devices from the Chinese mainland in the global industry. The Company adheres to a value proposition of "comprehensive product range, competitive pricing, superior quality, and prompt delivery", while continuously enhancing its capability to provide technical solutions for strategic customers.

(3) In terms of semiconductor silicon materials, the Company considers the whole field of semiconductor silicon materials and focuses on the scale-up of pulled crystals, grinding discs, and epitaxial wafers. It has achieved the Integrated Device Manufacturing (IDM) of silicon materials. Additionally, steadily improves the overall production scale and comprehensive technical strength in the industry chain of semiconductor silicon materials to build a better layout for the semiconductor industry chain.

(4) In regard to market development, the Company continue to maintain and enhance its advantages in traditional fields, actively expand its presence in or enter high-end markets, such as clean energy, automotive electronics, security protection, 5G communication, smart home, the Internet of Things (IoT), artificial intelligence (AI), and industrial control. Meanwhile, it will maintain its leading position in traditional fields, fully promote the strategy of import substitution, accelerate penetration, and expand the share of domestic devices. With respect to emerging markets, the rapid development of clean energy, new energy vehicles, and intelligent interconnection and the flourishing progress of smart home, the IoT, and AI, the demand for the corresponding power devices has surged. Concurrently, we will constantly push forward the strategy for major customers, focus on the Top 10 customers in key industries worldwide, and satisfy their core demands with products and services of the highest quality to build strong customer relationships. The Company will keep up with market dynamics, seize the opportunity of growing demand in emerging fields, and prepare to quickly enter such fields to win a due share for domestic devices.

(5) In terms of brand building, the Company will deepen the business model of "dual brands" + "dual circulations" brand product differentiation to grasp global development opportunities. The Company operates under the "YJ" brand in China and the Asia Pacific and the "MCC" brand in the European and US markets. It will rapidly expand the proportion of overseas sales, give full play to the advantage of the MCC brand, expand major global customers by virtue of the product Design In of distributors, and strengthen the brand value and international reputation of itself and its products. The Company's brand system consists of dual brands, which are complementary and conducive to business development.

(6) In regard to technology R&D, the Company will raise the proportion of R&D expenses year by year and accelerate the layout of overseas R&D. (6) In regard to technology R&D, the Company will raise the proportion of R&D expenses year by year. We will endeavor to raise the contribution of R&D by constructing product lines of large-size wafers, SiC wafers, and high-end devices and attracting first-class semiconductor technology and talent at home and abroad. We will gradually

transform the pattern of production and sales into a better pattern of R&D, production, and sales, while consolidating the former. The Company targets high-end power devices, while developing mid- and high-end MOSFET and IGBT chips and devices. It will strengthen the R&D and design of SiC and GaN wafers and the R&D of packaging and testing of the third-generation semiconductors. Additionally, it will reserve technology and talent in the third-generation semiconductors for mid- and high-end power devices.

(7) In terms of manufacturing operations, through digital transformation and IoT technologies, the Company spares no effort in using smart manufacturing to enhance efficiency and reduce costs. It utilizes data analytics, algorithms, and digital tools to create visual dashboards that improve business transparency; applies IoT technologies to promptly collect key information and parameters from production equipment; and employs intelligent data analysis across various scenarios to support management decision-making, thereby creating a smart factory.

(8) For sustainable development, the Company sticks to the development strategy of sustainable innovation, policies, and core competitiveness, keeps improving its management system of safety production, and makes constant innovation. Meanwhile, in response to the national strategies of achieving peak carbon emissions by 2030 and carbon neutrality by 2060, the Company has established an energy management system and optimized its environmental protection system. The Company has also invested in upgrading automated production lines, and technically reformed production processes to reduce carbon emissions. It has developed a comprehensive carbon reduction checklist, extending from a single production base to all bases, continually putting into practice actions that support decarbonization.

3. The 2024 Business Plan

(1) R&D technology

a) The Company, in 2024, will continue to be customer- and market-oriented and raise the R&D investment in new products. Particularly, for products related to MOSFETs, IGBTs, and SiC, the Company will constantly strengthen its R&D investment and product launch in market segments, such as automotive electronics and clean energy, and further strengthen the construction of overseas R&D centers, such as the one in Japan. Meanwhile, it will prepare for the construction of R&D centers in Europe and the US and raise the number of overseas R&D personnel and expand the coverage of overseas product lines. It will double its R&D efforts for product design and technology and process improvement, constantly enhance product quality, and enrich product types. Moreover, we will earnestly respond to the national call for achieving high-quality development through technological innovation, constantly optimize the incentive mechanism for R&D personnel, stimulate all R&D departments to continuously optimize product design, achieve breakthroughs in technology and processes, reduce production costs, and raise resource utilization and production efficiency.

b) The Company will conscientiously promote the management and implementation of key R&D projects, and keep raising its technical added value and strengthen the breadth and depth of products via R&D projects. In the industrial control sector, we will continue to refine the performance and iteration of IGBT module packaging, consistently reducing costs to enhance core competitiveness. In the PV energy storage sector, we will continue to develop 650V, 950V, and 1200V three-level photovoltaic modules tailored to customer applications, meeting their specific requirements. We are developing multiple multi-chip molded modules for BMS, electronic fans, and OBC sectors, deepening collaboration with customers to develop customized products that increase integration and reliability, thereby continuously boosting product competitiveness. For automotive SiC power modules, we will focus on breakthroughs in multichip flow equalization and low-inductance packaging design technologies, incorporating advanced packaging technologies like silver sintering,

copper wire bonding, and ultrasonic metal welding. We have developed multiple SOT227, Easy, 62mm, Econodual, HPD, and DCM packaged SiC modules. In the MOSFET sector, the Company will continue to optimize and enhance the performance of the Trench MOSFET and SGT MOSFET series, strengthen the development of automotive-grade products, expand the product range, and actively respond to the demands of domestic mid-to-high-end customers to accelerate the process of domestic substitution.

c) The Company will continue to improve its R&D system, implement its IPD system, introduce the industry's best R&D process, Product Lifecycle Management System (PLM), optimize execution, and improve the building of the basic R&D database and the management platform for R&D expertise to prepare the system foundation for sustainable and efficient R&D output.

(2) Marketing

a) In 2024, the Company will continue to expand its market share in clean energy, automotive electronics, and industrial automation, securing its core business's market position while continually increasing the sales proportion of critical power semiconductor components in key emerging sectors.

b) The Company will continue to promote the international strategic layout, deepen the two-way connection between overseas and domestic markets, and achieve the seamless connection between product certification and batch cooperation. Meanwhile, it will deepen the business model of "dual brands" + "dual circulations" brand product differentiation. Specifically, the "YJ" targets the domestic and Asia-Pacific markets, while "MCC" brand focuses on the European and American markets. The Company aims to cover global market channels. Additionally, we will intensify brand building, exert brand influence, and prioritize the cooperation with large multinational group companies.

c) The Company will conduct marketing in line with the principle of precise marketing and all-round services, focus on the benchmark customers in all industries, strengthen the training of professional and technical sales talent, and endeavor to improve customer satisfaction.

(3) Operation and management

a) The Company, in 2024, will strengthen the management mechanism for business divisions, deeply optimize the lean production and operating system, strictly follow the International Automotive Task Force (IATF) 16949 Standard and the VDA6.3A quality management system, enhance cooperation with external strategic suppliers, and deepen the application of information technology. Meanwhile, it will reinforce internal manpower control in plants, and adopt standardized, information-based, and automatic approaches to improve operating efficiency and reduce production costs.

b) Each business division of the Company will achieve refined management, further expanding production capacities related to new energy and automotive electronics to ensure product delivery capabilities for new markets. Moreover, it will raise the resource efficiency of each factory to promote cost management, and systematically perform zero-defect quality management activities. By implementing the professional qualifications (such as Six Sigma, PMP) and zero-defect projects, the Company will earnestly train relevant professional talent and improve the competence of engineers and improve the Company's overall quality management capabilities. Meanwhile, it will create an operating system for excellent manufacturing and promote the interaction among plant heads, equipment, engineering, quality, and Immersive Engineering (IE) to drive excellent manufacturing in an all-round manner. Through close collaboration among departments, the Company aims to enhance production efficiency, reduce costs, and optimize product quality, thus creating greater competitive advantage and market share.

c) The Company will continue to promote the optimization project of the integrated supply chain (ICS) in 2023, while completing the launch of the SAP-IBP project. Procedures will be analyzed and implemented via IT solidification. Project targets will be achieved based on the optimization and information-based implementation of procedures. The goal is to maximize customer delivery satisfaction and production and operating efficiency and actively address the challenges caused by demand fluctuations and supply chain disruptions. The Company will conduct end-to-end rapid response to production and sales synergy, identify delivery risks, reduce delivery costs, improve delivery capabilities, and seize market share.

d) In order to implement its strategy of dual circulations at home and abroad, the Company, in 2024, will initiate the construction of the production base in Vietnam, continue to deepen the overseas layout, establish overseas supply capabilities, serve the MCC brand and international customers, and further deepen the operation of the dual brands and the strategic layout overseas.

(4) Epitaxial development

We, in 2024, will continue to improve and broaden the path to epitaxial development, and actively and deeply communicate and cooperate with quality overseas and local companies in the semiconductor industry, which have technological or channel advantages, strong competitive strength, and profitability, so as to constantly enrich our semiconductor quality and rapidly improve our overall scale and comprehensive strength.

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

Applicable Not applicable

Reception time	Reception place	Reception method	Type of received visitor	Received visitors	Main topics discussed and information provided	Index to main inquiry information
May 24, 2023	The online interaction platform, Value Online (http://www.ir-online.cn/)	Online platform communication	Others	To the public	Exchange of the Company's 2022 annual report	For details, see the <i>Yangjie Technology Investor Relations Activity Record on May 24, 2023</i> (No.: 2023-001) disclosed by the Company on May 24, 2023.
August 28, 2023	Conference Room	Telephone communication	Institution	BOSC Asset, Wanjia Asset,	Company's operations in the first half	For details, see the <i>Yangjie Technology</i>

				among 160 other institutional investors	of 2023	<i>Investor Relations Activity Record from August 28-29, 2023 (No.: 2023-002) disclosed by the Company on August 30, 2023.</i>
October 23, 2023	Conference Room	Telephone communication	Institution	Knight Investment, CIFM, among 267 other institutional investors	Company's operations in the first three quarters of 2023	For details, see the <i>Yangjie Technology Investor Relations Activity Record from October 23-24, 2023 (No.: 2023-003) disclosed by the Company on October 24, 2023.</i>

XIII. Implementation of the action plan for "Dual Enhancement of Quality and Profitability"

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

Yes No

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

(I) Focus on core business and deepen expertise in power semiconductors:

Since its inception, the Company has been upholding the core values of "Customer First, Passion & Innovation, Diligence/Simplicity & Self-Reflection, Sincerity & Gratitude", and center on power semiconductors. It establishes advantages in R&D, quality, and cost and constantly pushes forward the four development strategies of "brand enhancement, industrial innovation, localization, and internationalization". Currently, it has become one of the few domestic enterprises that integrate the entire vertical industry chain, including manufacturing of single-crystal silicon wafers, chip design and manufacturing, device design and packaging testing, and end sales and services. The Company's products have achieved leading positions and high market shares in multiple emerging niche markets. Based on the general performance of the Company (aspects such as sales, technological strength and the share of the semiconductor market have been considered), the Company has been recognized by China Semiconductor Industry Association as one of the top three

enterprises among the Top 10 Semiconductor Power Device Enterprises in China for several consecutive years, and has been rated as one of the top 20 in multiple domestic and international lists of top semiconductor enterprises in China. In the future, the Company will continue to uphold its mission to "Earn global trust in Chinese power semiconductors" and steadfastly cultivate the field of power semiconductors: Guided by customer and market demands, the Company will increase its R&D investments in MOSFETs, IGBTs, SiCs, and other products, with a focus on new sectors like new energy vehicles and PV energy storage. It will continue to deepen its "dual brands + dual circulations" business model and product differentiation, seizing global development opportunities; it will also accelerate the pursuit of high-level technological independence to promote high-quality development of the Company.

(II) Innovation-driven development, accelerating the domestication process of mid-to-high-end power semiconductors:

The Company remains committed to innovation-driven development, placing high importance on leading product R&D and manufacturing processes. Keeping a close eye on market demands and core technological trends, the Company will increase its R&D and innovation efforts. While developing high-end MOSFETs and IGBTs, the Company will establish R&D bases overseas and accelerate the advancement of third-generation semiconductors like SiC and GaN to continually strengthen its core competitiveness. Additionally, it will enhance the R&D team, attracting top domestic and international semiconductor technology, R&D talents, improving the R&D system, and enabling these talents to play a significant role in breaking through key and core technologies, accelerating the shift of core industries towards high-end development and speeding up import substitution.

(III) Continuously improve corporate governance and strengthen standardized operations

The Company will continue to solidify its corporate governance foundation, comprehensively develop internal control systems, and ensure that "the three boards and one layer" fulfill their responsibilities. It will standardize the rights and obligations of the Company and shareholders, preventing the abuse of shareholder rights and the management's advantageous position from harming the interests of small and medium investors. Furthermore, the Company will strengthen investor relations management, broaden institutional investors' participation in corporate governance, and encourage small and medium investors to actively participate in shareholders' meetings and performance briefings. This ensures that investors fully understand the Company's operational model, business condition, and development strategies, facilitating their participation in major decision-making and enhancing their influence and satisfaction.

(IV) Adhering to core company values and enhancing the quality of information disclosure:

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

(V) Continued dividends and shareholder returns:

Committed to being investor-oriented and maintaining integrity and compliance, the Company, while solidifying its own developmental foundation, firmly establishes a consciousness of rewarding shareholders, ensuring that investors feel rewarded and appreciated. The Company has clearly defined a profit distribution policy in its *Articles of Association*, consistently distributing cash dividends annually, no less than 20% of the distributable profits achieved that year. Moving forward, the Company will balance performance growth with shareholder returns, implementing a "long-term, stable, and sustainable" shareholder value return mechanism. While considering the Company's long-term development, this approach lets shareholders genuinely share in the Company's development achievements. The Company values the use of share repurchases and other methods to stabilize the market and boost confidence. Since its listing, the Company has initiated two share repurchases, with another currently in progress.

In the next steps, we will steadfastly focus on rewarding shareholders, continue being investor-oriented, effectively implement the "Quality and Returns Enhancement" action plan, significantly enhance investors' satisfaction, and actively contribute to stabilizing the market and confidence.

Section IV Corporate Governance

I. Basic information on corporate governance

During the Reporting Period, the Company established and improved the internal management and control policies and kept refining the corporate governance structure in strict accordance with laws, regulations, and normative documents, including the *Company Law*, the *Securities Law*, the *GEM Stock Listing Rules of Shenzhen Stock Exchange*, and *Guidelines No. 2 of the Shenzhen Stock Exchange on the Self-regulation of Listed Companies--Normative Operation of Listed Companies on the ChiNext*, in order to further standardize the operation and improve corporate governance.

According to the resolution of the 21st meeting of the 4th Board of Directors, the Company planned to prepare for the overseas issuance of Global Depositary Receipts (GDRs) and listed them on the SIX Swiss Exchange. C.f. With regard to the Company's GDRs and upon the completion of the listing on SIX Swiss Exchange on April 18, 2023, generally, the SIX Directive on Information Relating to Corporate Governance of June 20, 2019, as amended (the "DCG") is binding on all Swiss companies whose equity securities have their primary or main listing on the SIX Swiss Exchange. As per the listing rules of the SIX Swiss Exchange (the "Listing Rules of SIX"), the DCG is not applicable regarding an issuer of global depositary receipts. The Listing Rules of SIX provide that an issuer of the underlying shares of global depositary receipts shall declare in its annual reports following the listing of global depositary receipts, that it adheres to the corporate governance standards of its domestic markets. The Company complies with the corporate governance standards of Shenzhen Stock Exchange, its domestic market for the A Shares.

1. Shareholders and of Shareholders' Meeting

The Company regulates the convening, holding, and voting procedures of the shareholders' meeting in strict accordance with the *Company Law*, the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, and other relevant regulations to ensure that all shareholders, especially minority shareholders, enjoy equal status and can fully exercise their rights. During the Reporting Period, all matters that shall be voted on at shareholders' meeting by the *Articles of Association* were reviewed and approved under the corresponding authority and then submitted to the shareholders' meeting for deliberation. No matters were reviewed and approved beyond authority or implemented before being reviewed. The Company's Board of Directors convened and held one annual shareholders' meeting and two extraordinary shareholders' meetings in the presence of attorneys.

2. The Company and the controlling shareholder

The Company has independent and complete business and is capable of independent operation. It is independent of its controlling shareholder in the business, personnel, assets, institutions, and finance. Additionally, the Company's Board of Directors, the Supervisory Committee, and internal institutions run independently. During the Reporting Period, the controlling shareholder, Jiangsu Yangjie Investment Co., Ltd., regulated its own conduct. It did not directly or indirectly intervene in the Company's business activities without the authorization of the shareholders' meeting, did not misappropriate the funds of the listed company, or was not provided with guarantees by the listed company.

3. Directors and the Board of Directors

During the Reporting Period, the Company's Board of Directors underwent an election cycle, resulting in the formation of the fifth Board of Directors. Simultaneously, to further optimize

governance structures, enhance the efficiency of Board operations, and elevate the level of scientific decision-making, the Company amended its *Articles of Association*. The number of members the Board of Directors was adjusted from seven to nine. As of the date of this announcement, the Board of Directors consists of nine members, including three independent directors. The number and composition of members of the Board of Directors conform to relevant laws, regulations, normative documents, and the *Articles of Association*. Members of the Board of Directors include accounting professional(s), industry experts, and other professionals equipped with knowledge, skills, and qualities for duty performance.

During the Reporting Period, directors performed their duties conscientiously in accordance with *Guidelines No. 2 of the Shenzhen Stock Exchange on the Self-regulation of Listed Companies--Normative Operation of Listed Companies on the ChiNext*, the *Rules of Procedure of the Board of Directors*, and the *Working System for Independent Directors*. In 2023, the Company held 10 Board of Directors Meetings, which were all convened by the Chairman. The meeting procedures were in line with the regulations, with meeting minutes truthfully and completely taken and relevant information promptly, accurately, and adequately disclosed.

4. Supervisors and the Supervisory Committee

During the Reporting Period, the Company's Supervisory Committee also underwent an election cycle, resulting in the formation of the fifth Supervisory Committee, composed of three supervisors, including one employee supervisor. The number and composition of members of the Supervisory Committee conform to relevant laws, regulations, and the *Articles of Association*.

During the Reporting Period, supervisors performed their duties earnestly in accordance with the *Articles of Association* and the *Rules of Procedure of the Supervisory Committee*. Thanks to their supervision of the Company's financial position, material events, and the legality and compliance of the duty performance by the Company's directors and Senior Management members, the Company's interests and shareholders' legitimate interests were safeguarded. In 2023, the Company held nine Supervisory Committee Meetings, which were all convened by the Chairman of the Supervisory Committee. The meeting procedures were in line with the regulations, with meeting minutes truthfully and completely taken and relevant information promptly, accurately, and adequately disclosed.

5. Mechanisms of performance appraisal, and incentive and constraint

The Company has established well-improved performance appraisal standards and incentive and constraint mechanisms for directors (non-independent directors) and Senior Management members. Additionally, Senior Management members are all engaged transparently and in line with relevant laws, regulations, and normative documents. The Remuneration and Appraisal Committee of the Board of Directors is in charge of the development of the remuneration program for directors, supervisors, and Senior Management members and remuneration management, appraisal, and supervision. The remuneration program for directors and supervisors and the allowance program for independent directors developed by the Remuneration and Appraisal Committee should be reviewed and approved by the Board of Directors and then submitted to the shareholders' meeting for approval before they are implemented. The remuneration program for Senior Management members such as the General Manager should be approved by the Board of Directors before they are implemented.

6. Information disclosure and transparency

The Company designates the Board Secretary to truthfully, accurately, promptly, fairly, and completely disclose relevant information in strict accordance with the *Management Measures for Information Disclosure by Companies* and the *Policy on Investor Relations Management of*

Companies. Additionally, Securities Times and www.cninfo.com.cn are designated by the Company for information disclosure to ensure all shareholders can fairly access information.

7. Stakeholders

The Company respects and safeguards the legitimate interests of stakeholders. It vigorously cooperates with stakeholders and strengthens communication and exchanges with each party to coordinate and balance the interests of each party, including shareholders, customers, suppliers, and employees, thereby driving sustainable, stable, and sound growth.

Whether the actual situation of corporate governance significantly deviates from the laws, administrative regulations and regulations issued by the CSRC on listed company governance.

Yes No

The actual situation of corporate governance does not significantly deviate from the laws, administrative regulations and regulations issued by the CSRC on listed company governance.

II. The independence of the company from its controlling shareholder and de facto controller in terms of assets, personnel, finance, organizations, business and other aspects

The Company has been operating in line with relevant laws and regulations, such as the *Company Law* and the Securities Law, as well as the *Articles of Association* since it was incorporated. Specifically, it has been completely separated from its controlling shareholder and de facto Controller in assets, personnel, finance, institutions, and business. It possesses complete business systems for assets, R&D, production, and marketing and is fully capable of operating independently in the market.

1. Asset independence

The Company legally owns the ownership or right to use of the land, plant, machinery, and equipment, as well as trademarks, patents, and non-patented technology in regard to its principal business. The Company's and its shareholders' property rights are well-identified. Additionally, the Company has independent production and operation premises and does not rely on shareholders' production and operation premises for production and operation. Concurrently, the Company's assets or resources are not misappropriated by the Company's shareholders, de facto Controller, or other businesses controlled by de facto Controller through any means.

2. Personnel independence

The Company, with independent employee teams, has developed independent management systems for labor, personnel, and salaries. Additionally, the salary management, welfare expenditure, and social security systems for employees are separated from those for shareholders. Directors, supervisors, and Senior Management members of the Company are elected or removed in line with the procedures stipulated by relevant laws, such as the *Company Law*, regulations, normative documents, and the *Articles of Association*. Senior Management members are paid to work full-time at the Company. None of them takes any part-time jobs as prohibited by laws and regulations. None of the Company's financial personnel members works part-time at the controlling shareholder company, de facto Controller, or other businesses controlled by them.

3. Financial independence

The Company has set up an independent financial accounting department and an internal audit department and established an independent accounting system and financial management policy to make independent financial decisions. The Company owns a segregated bank account and does not share any bank account with other businesses controlled by the controlling shareholder and de facto

Controller. The Company independently pays taxes according to laws and does not pay taxes together with other businesses controlled by its controlling shareholder or de facto Controller. The Company does not provide any guarantee for businesses controlled by its controlling shareholder or de facto Controller, so its funds are not misappropriated by its controlling shareholder or other businesses.

4. Institution independence

The internal operations management institution has been established and improved by the Company to exercise power in operations management independently. Neither is the institution mixed with the controlling shareholder, de facto Controller, or other businesses controlled by them, nor do the controlling shareholder, de facto Controller, and other businesses controlled by them intervene in the setup of the institution.

5. Business independence

The Company owns a complete business system that covers procurement, production, marketing, and R&D. With outstanding principal business and an independent and complete operations management system, the Company is capable of conducting business independently in the market. The Company's business is independent of other businesses controlled by the controlling shareholder and de facto Controller. Therefore, no horizontal competition or unfair related-party transactions in production and operations has been effected between the Company and other businesses controlled by the controlling shareholder and the actual controller.

III. Competition with peers in the industry

Applicable Not applicable

IV. Information on the annual shareholders' meeting and extraordinary shareholders' meeting during the reporting period

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

Meeting session	Type of the meeting	Participation ratio of investors	Convening Date	Date of Disclosure	Resolutions
2022 Annual Shareholders' Meeting	Annual shareholders' meeting	49.69%	May 23, 2023	May 23, 2023	Seven proposals were deliberated on and approved, including the 2022 Work Report of the Board of Directors of the Company, the 2022 Work Report of the Board of Supervisors of the Company, the 2022 Financial Final Report of the

					<p><i>Company, the 2022 Profit Distribution Plan of the Company, the Full Text and Summary of the 2022 Annual Report of the Company, the Proposal for the Renewal of the Engagement of the Accounting Firm, and the Proposal for Changing the Registered Capital and Amending the Articles of Association.</i></p>
2023 First Extraordinary Shareholders' Meeting	Extraordinary shareholders' meeting	49.51%	July 26, 2023	July 26, 2023	<p>Three proposals, including the <i>Proposal on the Election of the Board of Directors and the Selection of the Candidates for Non-independent Directors of the Fifth Board of Directors</i>, the <i>Proposal on the Election of the Board of Directors and the Selection of the Candidates for Independent Directors of the Fifth Board of Directors</i>, and the <i>Proposal on the Election of the Board of Directors and the Selection of</i></p>

						<i>the Candidates for the Fifth Non-employee Representative Supervisors, were deliberated and approved.</i>
2023 Second Extraordinary Shareholders' Meeting	Extraordinary shareholders' meeting	48.55%	August 18, 2023	August 18, 2023		Four proposals, including the <i>Proposal for Amending the Articles of Association, Proposal for Revising the Rules of Procedure for the Board of Directors, Proposal on the Share Repurchase Plan, and Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to Share Repurchase of the Company</i> , were reviewed and approved.

2. Request of preferred shareholders whose voting rights have been restored to hold an extraordinary shareholders' meeting

Applicable Not applicable

V. The Company has differentiated arrangements for voting power.

Applicable Not applicable

VI. Corporate governance of the red-chip structure

Applicable Not applicable

VII. Directors, supervisors, and senior management members

1. Basic information

Name	Gender	Age	Position	Office-holding status	Start Date of Term of Office	Termination date of term	Number of Shares Held at the Beginning of the Reporting Period (Shares)	Number of the Increase in the Shares Held in the Reporting Period (Shares)	Number of shares decreased in the current period (shares)	Other changes in Shares (Shares)	Number of Shares Held at the End of the Reporting Period (Shares)	Reasons for changes in shareholding
Liang Qin	Female	52	Chairman	Incumbent	April 13, 2011	July 26, 2026	0	0	0	0	0	-
Liang Yao	Male	48	Vice Chairman	Incumbent	May 7, 2021	July 26, 2026	380,625.00	0	0	0	380,625.00	-
Liu Congning	Male	48	Vice Chairman/Vice President	Incumbent	June 30, 2020	July 27, 2026	379,813.00	0	0	0	379,813.00	-
Chen Runsheng	Male	44	Director and President	Incumbent	April 15, 2021	July 26, 2026	230,669.00	0	0	0	230,669.00	-
Xu Xiaobing	Male	53	Director and Vice President	Incumbent	April 13, 2011	July 26, 2026	99,169.00	0	0	0	99,169.00	-
Huang Zhiguo	Male	47	Director	Incumbent	April 18, 2024	July 26, 2026	0	0	0	0	0	-
GUO QIANG	Male	58	Independent Director	Incumbent	July 26, 2023	July 26, 2026	0	0	0	0	0	-
Liu Zhihong	Male	64	Independent Director	Incumbent	July 26, 2023	July 26, 2026	0	0	0	0	0	-
Yu	Male	56	Independent	Incumbent	July 26,	July 27,	0	0	0	0	0	-

Ping			Director	Incumbent	2023	2026							
Xu Ping	Female	49	Chairman of the Board of Supervisors	Incumbent	April 13, 2011	July 26, 2026	0	0	0	0	0	0	-
Hua Wei	Female	42	Supervisor	Incumbent	April 24, 2019	July 26, 2026	0	0	0	0	0	0	-
Zhao Zheng	Female	53	Supervisor	Incumbent	April 23, 2018	July 26, 2026	0	0	0	0	0	0	-
Dai Juan	Female	45	Vice President and Chief Financial Officer	Incumbent	May 16, 2014	July 26, 2026	268,125.00	0	0	0	268,125.00	0	-
Shen Ying	Female	50	Vice President	Incumbent	November 18, 2022	July 26, 2026	11,000.00	0	0	0	11,000.00	0	-
Wang Yulin	Male	54	Vice President	Incumbent	July 26, 2023	July 26, 2026	0	0	0	0	0	0	-
Wang Jinxiang	Male	51	Vice President	Incumbent	July 26, 2023	July 26, 2026	0	0	0	0	0	0	-
Fan Fengbin	Male	40	Board Secretary and Chairman Assistant	Incumbent	November 18, 2022	July 26, 2026	10,000.00	0	0	0	10,000.00	0	-
Jin Zhiguo	Male	67	Independent Director	Resignation	June 19, 2017	July 26, 2023	0	0	0	0	0	0	-
Yu Xiekang	Male	75	Independent Director	Resignation	June 19, 2017	July 26, 2023	0	0	0	0	0	0	-
Chen Tongg	Male	57	Independent	Resign	June 19,	July 26,	0	0	0	0	0	0	-

uang			Direct or	ation	2017	2023						
Zhou Liming	Male	55	Presid ent Assista nt	Resign ation	April 15, 2021	July 26, 2023	11,000 .00	0	0	0	11,000 .00	-
Xu Jingjin	Femal e	37	Presid ent Assista nt	Resign ation	April 15, 2021	July 26, 2023	10,000 .00	0	0	0	10,000 .00	-
Total	--	--	--	--	--	--	1,400, 401.00	0	0	0	1,400, 401.00	--

Whether any director or supervisor retired or senior management member was dismissed during their terms in the Reporting Period

Yes No

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

Applicable Not applicable

Name	Position Held	Type	Date	Reason
Jin Zhiguo	Independent Director	Retirement after expiration of term	July 26, 2023	Due to the expiration of his term, Mr. Jin Zhiguo will no longer serve as an independent director and will not hold any position within the Company after his departure.
Yu Xiekang	Independent Director	Retirement after expiration of term	July 26, 2023	Due to the expiration of his term, Mr. Yu Xiekang will no longer serve as an independent director and will not hold any position within the Company after his departure.
Chen Tongguang	Independent Director	Retirement after expiration of term	July 26, 2023	Due to the expiration of his term, Mr. Chen Tongguang will no

				longer serve as an independent director and will not hold any position within the Company after his departure.
Zhou Liming	President Assistant	Retirement after expiration of term	July 26, 2023	Due to the expiration of his term, Mr. Zhou Liming will no longer serve as President Assistant but will continue to hold other positions within the Company.
Xu Jingjing	President Assistant	Retirement after expiration of term	July 26, 2023	Due to the expiration of his term, Ms. Xu Jingjing will no longer serve as President Assistant but will continue to hold other positions within the Company.
GUO QIANG	Independent Director	Election	July 26, 2023	Mr. GUO QIANG was elected by the Shareholders' Meeting as an Independent Director of the fifth Board of Directors following his nomination by the Board of Directors.
Liu Zhihong	Independent Director	Election	July 26, 2023	Mr. Liu Zhihong was elected by the Shareholders' Meeting as an Independent Director of the fifth Board of Directors following his nomination by the Board of Directors.

Yu Ping	Independent Director	Election	July 26, 2023	Mr. Yu Ping was elected by the Shareholders' Meeting as an Independent Director of the fifth Board of Directors following his nomination by the Board of Directors.
Wang Yulin	Vice President	Appointment	July 26, 2023	Upon approval at the first meeting of the fifth Board of Directors, Mr. Wang Yulin was appointed as Vice President of the Company.
Wang Jinxiong	Vice President	Appointment	July 26, 2023	Upon approval at the first meeting of the fifth Board of Directors, Mr. Wang Jinxiong was appointed as Vice President of the Company.
Xu Xiaobing	Director	Election	April 18, 2024	Mr. Xu Xiaobing was added by the Shareholders' Meeting as a Non-independent Director of the fifth Board of Directors following his nomination by the Board of Directors.
Huang Zhiguo	Director	Election	April 18, 2024	Mr. Huang Zhiguo was added by the Shareholders' Meeting as a Non-independent Director of the fifth Board of Directors following his nomination by the

				Board of Directors.
Liu Congning	Vice Chairman	Election	March 28, 2024	Upon approval at the sixth meeting of the fifth Board of Directors, Mr. Liu Congning was appointed as Vice Chairman of the Company.

2. Biographical information

The professional backgrounds, main work experience, and current primary responsibilities of the Company's existing directors, supervisors, and Senior Management members

(1) Members of the Board of Directors

Liang Qin, female, was born in October 1971, holds a college degree, and is a Senior Economist. She was a delegate at the 13th National Congress of the All-China Federation of Industry and Commerce, a member of the 12th Executive Committees of the All-China Federation of Industry and Commerce, a standing committee member of the Jiangsu Federation of Industry and Commerce, Vice President of the Jiangsu General Chamber of Commerce, a member of the Standing Committee of Yangzhou People's Congress, and one of Forbes China 100 Top Businesswomen. She was awarded such titles as "National Excellent Private Entrepreneur for Caring for Employees", "Excellent Entrepreneur in China's Electronic Information Industry", "National Exemplar in the Accomplishments of Females", "Model Worker of Jiangsu Province", "Excellent Young Entrepreneur of Jiangsu Province", "Excellent Private Woman Entrepreneur of Jiangsu Province", "One of the Fifth Excellent Contributors of Jiangsu Province to the Cause of Socialism with Chinese Characteristics", "Progressive Individual in Philanthropy" of the Jiangsu Provincial Women's Federation, "'March 8th Red-banner Pacesetter' of Jiangsu Province", "Ten Economic News Figures of Yangzhou City", "Ten Contributors of Yangzhou City", and "Excellent Young and Middle-aged Entrepreneurs in Yangzhou Talent Cultivation Program I". She took the posts of Executive Director and General Manager of Jiangsu Yangjie Investment Co., Ltd., Chairman, General Manager, and Executive Director of Yangzhou Yangjie Electronic Technology Company, General Manager of Yangzhou Yangjie Electronic Technology Co., Ltd., Chairman of J&V Semiconductor Co., Ltd., Chairman of Jiangsu Yangjie Semiconductor Co., Ltd., Chairman of Chengdu Qingyang Electronic Material Co., Ltd., and General Manager of Hunan Chuwei Semiconductor Technology Co., Ltd. Currently, she serves as the Chairman of Jiangsu Yangjie Investment Co., Ltd., Executive Director of Jianshui County Jiejie Enterprise Management Co., Ltd., Chairman of Yangzhou Yangjie Electronic Technology Co., Ltd., Director and General Manager of J&V Semiconductor Co., Ltd., Executive Director and General Manager of Jiangsu Yangjie Semiconductor Co., Ltd., Director of MCC Semiconductor HK Co., Ltd., Chairman of Micro Commercial Components Corporation, Director of Caswell Industries Limited, Board Member of Yangjie Electronic Korea Co., Ltd., Executive Director of Hangzhou E-Giant Semiconductor Technology Co., Ltd., Director of Chengdu Qingyang Electronic Material Co., Ltd., Director of Yixing Jiexin Semiconductor Co., Ltd., Director of Shanghai Lingxin Semiconductor Technology Co., Ltd., Director of Wuxi Lingxin Semiconductor Technology Co., Ltd., Director of Sichuan Yajixin Electronic Technology Co., Ltd., Chairman of Hunan Chuwei Semiconductor Technology Co., Ltd., Chairman of Yangzhou Jieguan Microelectronics Co., Ltd., Director of MCC SINGAPORE PTE. LTD., and Independent Director of Yadea Group Holdings Ltd.

Liang Yao, male, was born in October 1975, holds a master's degree, and is a Senior Economist, with his master's from Tsinghua University. He took the posts of Counselor and Teaching Assistant at the Nanjing University of Posts and Telecommunications, Supervisor of Jiangsu Yangjie Investment Co., Ltd., Director of Yangzhou Office, China Life Insurance Company Limited, Deputy General Manager of Yangzhou Yangjie Electronic Technology Company, Director of Jiangsu Yangjie Semiconductor Co., Ltd., Executive Director of Yangzhou Yangjie Power Development Co., Ltd., Deputy General Manager and Board Secretary of Yangzhou Yangjie Electronic Technology Co., Ltd., and Managing Partner of Hangzhou One Investment Management Partnership (Limited Partnership). Currently, he serves as Vice Chairman of Yangzhou Yangjie Electronic Technology Co., Ltd., Managing Partner of Yangzhou Liangmao Investment Management Partnership (Limited Partnership), Executive Director of Yangzhou Jiemei Semiconductor Co., Ltd., Supervisor of Shenzhen Zhiyi Investment Co., Ltd., Director and General Manager of Jiangsu Intelligent Microsystem Industrial Technology Co., Ltd., Managing Partner of Yangzhou Liangmao Enterprise Management Partnership (Limited Partnership), Managing Partner of Yangzhou Jiesheng Investment Management Partnership (Limited Partnership), and Executive Director at Yangzhou Liangmao Investment Co., Ltd.

Liu Congning, male, was born in October 1975 and holds a bachelor's degree. He took the posts of Manager and Deputy General Manager of Guangzhou Office, Jiangsu Yangjie Investment Co., Ltd., Director and Deputy General Manager of Yangzhou Yangjie Electronic Technology Company, Executive Deputy General Manager and General Manager of Yangzhou Yangjie Electronic Technology Co., Ltd., Director of Chengdu Qingyang Electronic Material Co., Ltd., and Chairman of Jiangsu Yangjie Runau Semiconductor Co., Ltd. Currently, he serves as Director and Vice Chairman of Yangzhou Yangjie Electronic Technology Co., Ltd., Director of J&V Semiconductor Co., Ltd., Director of Yangzhou Guoyu Electronics Co., Ltd., Executive Director and General Manager of Jiangsu MCC Semiconductor Co., Ltd., Executive Director and General Manager of Shenzhen MCC Semiconductor Co., Ltd., Chairman of Chengdu Qingyang Electronic Material Co., Ltd., Supervisor of Jianshui County Jiejie Enterprise Management Co., Ltd., Chairman of Sichuan Yajixin Electronic Technology Co., Ltd., Director of MCC SINGAPORE PTE. LTD., and Supervisor at Yangzhou Liangmao Investment Co., Ltd.

Chen Runsheng, male, was born in January 1979 and holds a bachelor's degree. He took the posts of Process Quality Engineer and System Engineer of Jingcheng Electronic Technology Group Company, System Engineer, F.A. Engineer, and Process Quality Engineer, as well as Deputy Manager, Manager, and Assistant of the Quality Department, of Shanghai Gulf Semi Technology Co., Ltd., Director of the Quality Assurance Department of Yangzhou Yangjie Electronic Technology Co., Ltd., and Director and General Manager of Jiangsu Huanxin Semiconductor Co., Ltd. Currently, he serves as Director and President of Yangzhou Yangjie Electronic Technology Co., Ltd., Supervisor of Jiangsu MCC Semiconductor Co., Ltd., and Director of Yangzhou Jieguan Microelectronics Co., Ltd.

Xu Xiaobing, male, was born in April 1970 and holds an associate degree. He has held positions at Yangzhou Port Corporation, Ningbo Office Manager, Zhejiang and Fujian Region Manager, and Photovoltaic Project Manager at Jiangsu Yangjie Investment Co., Ltd., Director at Yangzhou Yangjie Electronic Technology Co., Ltd., General Manager at Yangzhou Yangjie Power Development Co., Ltd., Director at Suzhou Meiwei Core Semiconductor Co., Ltd., Chairman at Yixing Jiexin Semiconductor Co., Ltd., Chairman at Shanghai Lingxin Semiconductor Technology Co., Ltd., and Chairman at Wuxi Lingxin Semiconductor Technology Co., Ltd. He currently serves as Vice President of Yangzhou Yangjie Electronic Technology Co., Ltd., Executive Director at Shanghai Xinyangjie Electronic Technology Co., Ltd., Executive Director and General Manager at

Yangjie Technology (Wuxi) Co., Ltd., and Chairman and General Manager at Wuxi Jiexiwei Semiconductor Co., Ltd.

Huang Zhiguo, male, was born in February 1977 and holds a master's degree in Business Administration from Sun Yat-sen University. He has previously served as the Manager of the Chairman's Secretariat at Midea Group Co., Ltd., Founding Dean of MBT Learning Academy, and Member of the Small Home Appliances Committee as well as Director of Operations and Human Resources. He has been Senior Vice President and General Manager of the South China Division, and Director of the Corporate Management Department at Changsha Broad Homes Industrial Group Co., Ltd. He currently holds positions as Director at Yangzhou Yangjie Electronic Technology Co., Ltd., Executive Director and General Manager at Changsha Yutaishu Management Consulting Co., Ltd., Executive Director and General Manager at Hunan Zhichuang Network Technology Co., Ltd., Director at Shanghai Xiangyi Bencao Cosmetic Manufacturing Co., Ltd., Independent Director at Huaqin Technology Co., Ltd., and Independent Director at Suntak Technology Co., Ltd.

GUO QIANG, male, born in November 1965, holds a Master's degree in Physics from Nanjing University and a PhD in Physics from the National University of Singapore. He is a senior member of IEEE and has received several honors including Shanghai Overseas High-Level Talent and Shanghai Lingang Talent. His previous roles include Project Manager at Nannan High Technology R&D Co., Ltd.; Principal Engineer at Chartered Semiconductor in Singapore; Department Head and Chief Researcher at Singapore's Institute of Microelectronics, where he also served as a joint supervisor for Masters and PhD students; Department Manager and Postdoctoral Supervisor at Shanghai Huahong Grace Semiconductor Manufacturing Corporation; Director at SMIC (Shanghai); Vice President and Senior Vice President at Wuhan Xinxin Semiconductor Manufacturing Co., Ltd.; Senior Vice President at Yangtze Memory Technologies Co., Ltd.; Chief Operating Officer at Shanghai Advanced Semiconductor Manufacturing Corporation; Chief Operating Officer and CEO at GTA Semiconductor Co., Ltd.; and Senior Vice President at ICLeague Technology Co., Ltd. He is currently the Chief Operating Officer at Shanghai Institute of IC Materials and serves as an Independent Director at Yangzhou Yangjie Electronic Technology Co., Ltd.

Liu Zhihong, male, born in November 1959, graduated from Tsinghua University with a bachelor's degree and is a senior engineer. He has held positions as an engineer at Beijing Semiconductor Component Factory No. 5, senior engineer and director of the Integrated Circuit Test Line at the Institute of Microelectronics of Tsinghua University, and as a senior engineer in the Integration Room. He served as the General Manager at Zhongdian Huacheng Microelectronics Engineering Center Co., Ltd. He is currently a senior engineer and Director of a laboratory at Tsinghua University, Technical Advisor at Global Power Technology Co., Ltd., Supervisor at Huzhou Yanhong Electronics Co., Ltd., Independent Director at Lansus Technologies Inc, Independent Director at Beijing Kaide Quartz Co., Ltd., Independent Director at Gaopin (Beijing) Technology Co., Ltd., and Independent Director at Yangzhou Yangjie Electronic Technology Co., Ltd.

Yu Ping, male, born in July 1967, holds a master's degree and is a senior auditor. He previously served as the Director of an audit firm under the Yangzhou Audit Bureau and as an Independent Director at Yangzhou SeaShine New Materials Co., Ltd. He is currently the General Manager at Yangzhou Huicheng United Accountant Firm (General Partnership), Executive Director of Jiangsu Chencheng Engineering Consulting Co., Ltd., General Manager of Yangzhou Huicheng Tax Accountant Office Co., Ltd., Independent Director of Jiangsu Olive Sensors High-tech Co., Ltd., Independent Director of Jiang Su Xinyang New Materials Co., Ltd., Independent Director of Yangzhou Dongsheng Automotive Co., Ltd., and Independent Director at Yangzhou Yangjie Electronic Technology Co., Ltd.

(2) Members of the Supervisory Committee

Xu Ping, female, was born in September 1974 and holds an associate degree. She has held positions at Jiangsu Yangjie Investment Co., Ltd., and served as Purchasing Manager at Yangzhou Yangjie Electronic Technology Co., Ltd., and Executive Director at Hangzhou E-GIANT SEMICONDUCTOR Tech Co., Ltd. She currently serves as Chair of the Supervisory Committee at Yangzhou Yangjie Electronic Technology Co., Ltd., Supervisor at J&V SEMICONDUCTOR CO.,LTD., and Supervisor at Hangzhou E-Giant Semiconductor Technology Co., Ltd.

Hua Wei, female, was born in August 1981 and holds a bachelor's degree. She has held positions at Finance Department of Yangzhou Xuri Auto Parts Co., Ltd., and Finance Department of Jiangsu Yangjie Investment Co., Ltd., and served as Deputy Finance Manager at J&V SEMICONDUCTOR CO.,LTD., Finance Director, Finance Manager and Credit Fund Manager at Yangzhou Yangjie Electronic Technology Co., Ltd., and Supervisor at JIANGSU HUANXIN SEMICONDUCTOR CO., LTD. She currently serves as Supervisor of Yangzhou Yangjie Electronic Technology Co., Ltd., Supervisor at Sihong Hongxin Semiconductor Co., Ltd., Supervisor at Chengdu Qingyang Electronic Material Co., Ltd., Supervisor at Shanghai Lingxin Semiconductor Technology Co., Ltd., Supervisor at Wuxi Lingxin Semiconductor Technology Co., Ltd., Supervisor at Yangjie Technology (Wuxi) Co., Ltd., Supervisor at Sichuan Yajixin Electronic Technology Co., Ltd., Supervisor at Jiangsu Yangjie Runau Semiconductor Co., Ltd., Supervisor at Yangzhou Jieguan Microelectronics Co., Ltd., and Supervisor at Hunan Chuwei Semiconductor Technology Co., Ltd.

Zhao Zheng, female, was born in July 1970 and holds double associate degrees. She is also an Assistant Accountant, and Economist. She has held positions as Assistant Production Manager and Finance Chief at Yangzhou Dazhong Food and Beverage Co., Ltd., General Ledger Accountant at Yangzhou Energy Saving Technology Service Center, Finance Section Chief at Suzhou Yuze Textile Co., Ltd., Supervisor at Changzhou Baoli Jiasheng Textile Co., Ltd., Finance Manager at Suzhou Yuyuan Garment Co., Ltd. and Yangzhou Yuyuan Garment Co., Ltd., Supervisor at Yangzhou Yuxiang Textile Co., Ltd., Finance Department Manager at Jiangsu Yangjie Investment Co., Ltd., and Director at Chengdu Xinjixin Electronic Technology Co., Ltd. She currently serves as Supervisor at Yangzhou Yangjie Electronic Technology Co., Ltd.

(3) Senior management

Chen Runsheng, President of the Company. For major work experience, see "(1) Members of the Board of Directors" in this section.

Liu Congning, Vice President of the Company. For major work experience, see "(1) Members of the Board of Directors" in this section.

Xu Xiaobing, Vice President of the Company. For major work experience, see "(1) Members of the Board of Directors" in this section.

Dai Juan, female, was born in November 1978 and holds an associate degree. She has served as Credit Department Manager at Jiangsu Yangjie Investment Co., Ltd., Supervisor and Finance Manager at Yangzhou Yangjie Electronic Technology Co., Ltd., Supervisor at Shangrao Jiaxun Solar Power Co., Ltd., Supervisor at Yancheng Jieming Photovoltaic Power Co., Ltd., and Director at JIANGSU HUANXIN SEMICONDUCTOR CO., LTD. She currently serves as Chief Financial Officer and Vice President of Yangzhou Yangjie Electronic Technology Co., Ltd., Director at Yangzhou J&V Semiconductor Co., Ltd., Supervisor at Jiangsu Yangjie Semiconductor Co., Ltd., Supervisor at Shenzhen MCC Semiconductor Co., Ltd., Director at Wuxi Jiexiwei Semiconductor Co., Ltd., Executive Partner at Wuxi Jie Mi Electronic Technology Partnership Enterprise (Limited Partnership), and Director at Hunan Chuwei Semiconductor Technology Co., Ltd.

Shen Ying, female, was born in June 1973 and holds a bachelor's degree. She has previously worked as a General Ledger Accountant at the Zhenjiang Company of Yangzhou Metal Materials

Corporation, Finance and Human Resources Manager at Jiangsu Yangjie Investment Co., Ltd., and as a Director, Human Resources Director, Supervisor, and Assistant to the President at Yangzhou Yangjie Electronic Technology Co., Ltd. Shen Ying has also served as a Supervisor at Jianshui County Jiejie Enterprise Management Co., Ltd. Currently, she serves as the Vice President of Yangzhou Yangjie Electronic Technology Co., Ltd.

Wang Yulin, male, born in August 1969, holds a bachelor's degree in Semiconductor Physics and Devices from Southeast University. He has previously held positions such as Head of the Quality Assurance Department, Director of the Acoustic Surface Wave Product Department, Director of the Microwave Millimeter Wave Dual Devices Center, and Director of the Lithography Center at the China Electronics Technology Group Corporation 55th Research Institute. He has also served as General Manager of Yangzhou Guoyang Electronics Co., Ltd., and General Manager of the IGBT Business Unit at Yangzhou Yangjie Electronic Technology Co., Ltd. Currently, she serves as the Vice President of Yangzhou Yangjie Electronic Technology Co., Ltd.

Mr. Wang Jinxiong, male, born in January 1973, holds a doctoral degree. He has previously served as Deputy General Manager of Dunan Technology Co., Ltd., Senior Assistant Manager at Diodes Incorporated, Senior Vice President at PFC Device Corporation, and General Manager of Marketing for MCC in the Asia region. He is currently the Vice President and General Manager of the Marketing Center at Yangzhou Yangjie Electronic Technology Co., Ltd.

Fan Fengbin, male, born in February 1983, is a member of the China Democratic League and holds a master's degree from Tsinghua University. His past positions include Deputy Section Chief of Human Resources and Section Chief of Human Resources of BYD Co., Ltd., and Chief Staff of the Automotive Engineering Research Institute at BYD Co., Ltd.; Senior Manager of Ningbo FOTILE Kitchen Ware Co., Ltd. and Executive Vice Principal of the Supply Chain Innovation School at Ningbo FOTILE Kitchen Ware Co., Ltd.; Human Resources Director of Yangzhou Yangjie Electronic Technology Co., Ltd. and Deputy General Manager of the MOSFET Division at Yangzhou Yangjie Electronic Technology Co., Ltd.; and Director at Hunan Chuwei Semiconductor Technology Co., Ltd. He currently serves as the Assistant to the Chairman and Board Secretary at Yangzhou Yangjie Electronic Technology Co., Ltd., as well as a Director at Wuxi Jiexiwei Semiconductor Co., Ltd.

Details of service in shareholders' entities

Applicable Not applicable

Name	Name of Shareholder Entity	Position at the shareholder	Start Date of Term of Office	Termination date of term	Receipt of remuneration and allowance in the shareholder
Liang Qin	Jiangsu Yangjie Investment Co., Ltd.	Chairman	May 13, 2011		No
Liang Qin	Jianshui County Jiejie Enterprise Management	Executive Director	December 23, 2010		No

	Co., Ltd.				
Liu Congning	Jianshui County Jiejie Enterprise Management Co., Ltd.	Supervisor	June 27, 2019		No
Note on positions at the shareholders of the Company	N/A				

Positions Held in Other Entities

Applicable Not applicable

Name	Name of the organization	Position in the organization	Start Date of Term of Office	Termination date of term	Receipt of remuneration and allowance in the shareholder
Liang Qin	Yangzhou J&V Semiconductor Company	Director and general manager	May 6, 2009		No
Liang Qin	Jiangsu Yangjie Semiconductor Co., Ltd.	Executive Director and General Manager	March 1, 2016		No
Liang Qin	MCC Semiconductor HK Co., Ltd.	Director	June 22, 2015		No
Liang Qin	Micro Commercial Components Corporation	Chairman	September 1, 2015		No
Liang Qin	Caswell Industries Limited	Director	October 8, 2015		No

Liang Qin	Yangjie Electronic Korea Co., Ltd.	Board Member	May 12, 2016		No
Liang Qin	Hangzhou E-Giant Semiconductor Technology Co., Ltd.	Executive Director	December 20, 2016		No
Liang Qin	Chengdu Qingyang Electronic Material Co., Ltd.	Director	December 27, 2017		No
Liang Qin	Yixing Jiexin Semiconductor Co., Ltd.	Director	March 30, 2018		No
Liang Qin	Shanghai Lingxin Semiconductor Technology Co., Ltd.	Director	August 12, 2020		No
Liang Qin	Wuxi Lingxin Semiconductor Technology Co., Ltd.	Director	December 7, 2020		No
Liang Qin	Sichuan Yajixin Electronic Technology Co., Ltd.	Director	December 31, 2020		No
Liang Qin	Hunan Chuwei Semiconductor Technology Co., Ltd	Chairman	June 9, 2022		No
Liang Qin	Yangzhou Jieguan Microelectronics Co., Ltd.	Chairman	December 14, 2022		No

Liang Qin	MCC SINGAPORE PTE. LTD	Director	March 30, 2023		No
Liang Qin	Yadea Group Holdings Ltd.	Independent Director	June 16, 2023		Yes
Liang Yao	Yangzhou Liangmao Investment Management Partnership (Limited Partnership)	Managing partner	September 2, 2015		No
Liang Yao	Yangzhou Jiemei Semiconductor Co., Ltd.	Executive Director	June 25, 2018		No
Liang Yao	Shenzhen Zhiyi Investment Co., Ltd.	Supervisor	October 17, 2017		No
Liang Yao	Jiangsu Intelligent Microsystem Industrial Technology Co., Ltd.	Director and general manager	December 2, 2019		No
Liang Yao	Yangzhou Liangmao Enterprise Management Partnership (Limited Partnership)	Managing partner	September 30, 2021		No
Liang Yao	Yangzhou Jiesheng Investment Management Partnership (Limited Partnership)	Managing partner	January 6, 2023		No

Liang Yao	Yangzhou Liangmao Investment Co., Ltd.	Executive Director	December 1, 2023		No
Chen Runsheng	Jiangsu MCC Semiconductor Co., Ltd.	Supervisor	August 21, 2015		No
Chen Runsheng	Yangzhou Jieguan Microelectronics Co., Ltd.	Director	December 14, 2022		No
Liu Congning	Yangzhou J&V Semiconductor Company	Director	May 6, 2009		No
Liu Congning	Yangzhou Guoyu Electronics Co., Ltd.	Director	June 10, 2015		No
Liu Congning	Jiangsu MCC Semiconductor Co., Ltd.	Executive Director and General Manager	August 21, 2015		No
Liu Congning	Shenzhen MCC Semiconductor Co., Ltd.	Executive Director, General Manager	August 27, 2015		No
Liu Congning	Chengdu Qingyang Electronic Material Co., Ltd.	Chairman	February 28, 2018		No
Liu Congning	Jiangsu Yangjie Runau Semiconductor Co., Ltd.	Director	July 22, 2022	December 24, 2023	No
Liu Congning	Sichuan Yajixin	Chairman	December 31, 2020		No

	Electronic Technology Co., Ltd.				
Liu Congning	MCC SINGAPORE PTE. LTD	Director	March 30, 2023		No
Liu Congning	Yangzhou Liangmao Investment Co., Ltd.	Supervisor	December 1, 2023		No
Huang Zhiguo	Changsha Yutaishu Management Consulting Co., Ltd.	Executive Director, General Manager	December 29, 2014		No
Huang Zhiguo	Hunan Zhichuang Network Technology Co., Ltd.	Executive Director, General Manager	December 29, 2017		No
Huang Zhiguo	Shanghai Xiangyi Bencao Cosmetic Manufacturing Co., Ltd.	Director	December 9, 2021		No
Huang Zhiguo	Huaqin Technology Co., Ltd.	Independent Director	November 16, 2020		Yes
Huang Zhiguo	Suntak Technology Co., Ltd.	Independent Director	November 28, 2022		Yes
Liu Zhihong	Huzhou Yanhong Electronics Co., Ltd.	Supervisor	March 13, 2014		Yes
Liu Zhihong	Lansus Technologies Inc	Independent Director	May 13, 2021		Yes

Liu Zhihong	Beijing Kaide Quartz Co., Ltd.	Independent Director	December 29, 2020		Yes
Liu Zhihong	Gaopin (Beijing) Technology Co., Ltd.	Independent Director	May 29, 2023		Yes
Yu Ping	Yangzhou Huicheng United Accountant Firm (General Partnership)	General Manager	January 1, 2001		Yes
Yu Ping	Jiangsu Chencheng Engineering Consulting Co., Ltd.	Executive Director	May 1, 2013		Yes
Yu Ping	Yangzhou Huicheng Tax Accountant Office Co., Ltd.	General Manager	July 10, 2008		Yes
Yu Ping	Jiangsu Olive Sensors High-tech Co., Ltd.	Independent Director	December 27, 2022		Yes
Yu Ping	Jiang Su Xinyang New Materials Co., Ltd.	Independent Director	December 27, 2022		Yes
Yu Ping	Yangzhou Dongsheng Automotive Co., Ltd.	Independent Director	March 16, 2023		Yes
Xu Ping	Yangzhou J&V Semiconductor Company	Supervisor	January 28, 2014		
Xu Ping	Hangzhou E-	Supervisor	December 20,		

	Giant Semiconductor Technology Co., Ltd.		2016		
Hua Wei	Sihong Hongxin Semiconductor Co., Ltd.	Supervisor	April 17, 2020		
Hua Wei	Chengdu Qingyang Electronic Material Co., Ltd.	Supervisor	June 6, 2020		
Hua Wei	Shanghai Lingxin Semiconductor Technology Co., Ltd.	Supervisor	August 12, 2020		
Hua Wei	Jiangsu Yangjie Runau Semiconductor Co., Ltd.	Supervisor	December 2, 2020		
Hua Wei	Wuxi Lingxin Semiconductor Technology Co., Ltd.	Supervisor	December 7, 2020		
Hua Wei	Yangjie Technology (Wuxi) Co., Ltd.	Supervisor	December 22, 2020		
Hua Wei	Sichuan Yajixin Electronic Technology Co., Ltd.	Supervisor	December 31, 2020		
Hua Wei	Yangzhou Jieguan Microelectronics Co., Ltd.	Supervisor	December 14, 2022		

Hua Wei	Hunan Chuwei Semiconductor Technology Co., Ltd	Supervisor	March 3, 2023		
Dai Juan	Yangzhou J&V Semiconductor Company	Director	May 6, 2009		
Dai Juan	Jiangsu Yangjie Semiconductor Co., Ltd.	Supervisor	February 27, 2012		
Dai Juan	Shenzhen MCC Semiconductor Co., Ltd.	Supervisor	August 27, 2015		
Dai Juan	Wuxi Jiexiwei Semiconductor Co., Ltd.	Director	February 18, 2022		
Dai Juan	Wuxi Jie Mi Electronic Technology Partnership Enterprise (Limited Partnership)	Managing partner	January 21, 2022		
Dai Juan	Hunan Chuwei Semiconductor Technology Co., Ltd	Director	March 3, 2023		
Xu Xiaobing	Shanghai Xinyangjie Electronics Co., Ltd.	Executive Director	May 31, 2017		
Xu Xiaobing	Yangjie Technology (Wuxi) Co., Ltd.	Executive Director and General Manager	December 22, 2020		

Xu Xiaobing	Wuxi Jiexiwei Semiconductor Co., Ltd.	Chairman and General Manager	February 18, 2022		
Fan Fengbin	Wuxi Jiexiwei Semiconductor Co., Ltd.	Director	February 18, 2022		
Note on positions in other organizations	N/A				

The situation of penalties imposed by the securities regulatory authorities on current and former directors, supervisors, and senior management personnel in the past three years

Applicable Not applicable

3. Remuneration of directors, supervisors and senior management

Decision-making process, determining basis, and actual payment of remuneration for directors, supervisors, and senior management personnel

1. Decision-making process for remuneration of directors, supervisors, and senior management

In accordance with the "Remuneration System for Directors, Supervisors, and Senior Management" reviewed and approved during the Company's founding meeting and first shareholders' meeting on April 13, 2011, the remuneration plans for directors and supervisors, as well as the allowance plans for independent directors proposed by the Board's Remuneration and Appraisal Committee, will be implemented after being reviewed and approved by the Board of Directors and subsequently approved by the shareholders' meeting. The remuneration plans for senior management, such as the General Manager, will be implemented after being approved by the Company's Board of Directors.

2. Criteria for determining remuneration for directors, supervisors, and senior management

In line with the provisions of the *Remuneration System for Directors, Supervisors, and Senior Management* and the *Independent Director Allowance Management Measures*, along with other relevant systems, the Company takes its actual situation into account and references remuneration levels of peer companies and enterprises of similar scale. The remuneration is comprehensively determined based on the Company's salary structure, job responsibilities, and performance appraisal system.

Remuneration of directors, supervisors, and senior management personnel during the Reporting Period of the Company

Unit: RMB'0,000

Name	Gender	Age	Position	Office-holding status	Total pre-tax remuneration received from the Company	Whether to Receive Any Remuneration from Any Related Party of the

						Company
Liang Qin	Female	52			90.8	No
Liang Yao	Male	48			78.22	No
Chen Runsheng	Male	44			133.96	No
Liu Congning	Male	48			113.8	No
GUO QIANG	Male	58			5	No
Liu Zhihong	Male	64			5	No
Yu Ping	Male	56			2	No
Xu Ping	Female	49			38.39	No
Hua Wei	Female	42			25.16	No
Zhao Zheng	Female	53			0	Yes
Xu Xiaobing	Male	53			113.55	No
Dai Juan	Female	45			64.2	No
Shen Ying	Female	50			62.05	No
Wang Yulin	Male	54			80.15	No
Wang Jinxiong	Male	51			139.04	No
Fan Fengbin	Male	40			50.48	No
Jin Zhiguo	Male	67			10	No
Yu Xiekang	Male	75			5.36	No
Chen Tongguang	Male	57			4.8	No
Zhou Liming	Male	55			70.5	No
Xu Jingjing	Female	37			54.34	No

Total	--	--	--	--	1,146.8	--
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Other explanations

Applicable Not applicable

VIII. The performance of Directors' duties during the reporting period

1. Board of Directors in the Reporting Period

Meeting session	Convening Date	Date of Disclosure	Resolutions
23rd Meeting of the Fourth Board of Directors	February 16, 2023	February 18, 2023	The meeting reviewed and approved the <i>Proposal on Acquiring 30% Equity Interest in Hunan Chuwei Semiconductor Technology Co., Ltd.</i>
24th Meeting of the Fourth Board of Directors	February 21, 2023	February 22, 2023	The meeting reviewed and approved the <i>Proposal on Providing Housing Loans to Employees</i> and the <i>Proposal on Using Idle Funds to Purchase Financial Products.</i>
25th Meeting of the Fourth Board of Directors	April 11, 2023	April 12, 2023	The meeting reviewed and approved the <i>Proposal on Confirmation of Routine Related Party Transactions</i> , the <i>Proposal on Establishing a Special Account for GDR Raised Funds and Signing Related Agreement Documents</i> , and the <i>Proposal on Establishing a Subsidiary in Vietnam.</i>
26th Meeting of the Fourth Board of Directors	April 26, 2023	April 28, 2023	The meeting reviewed and approved the <i>2022 President's Work Report</i> , the <i>2022 Work Report of the Board of Directors of the Company</i> , the <i>2022 Financial Final Report of the Company</i> ,

			<p>the 2022 Profit Distribution Plan of the Company, the Full Text and Summary of the 2022 Annual General Meeting Report of the Company, the 2022 Environmental, Social, and Governance Report of the Company, the 2022 Internal Control Evaluation Report, the Special Report on the Deposit and Use of Raised Funds in 2022, the Special Report on Foreign Exchange Hedging in 2022, the Proposal for Applying for a Comprehensive Credit Line from Banks, the Proposal on Continuing to Engage in Foreign Exchange Hedging, the Proposal for the Renewal of the Engagement of the Accounting Firm, the Proposal for Changing the Registered Capital and Amending the Articles of Association, the Proposal on Amending the Foreign Exchange Hedging Business Management System, the Proposal on Establishing a Securities Investment Management System, the First Quarter Report for the Year 2023, and the Proposal for Convening the 2022 Annual Shareholders' Meeting.</p>
27th Meeting of the Fourth Board of Directors	July 5, 2023	July 7, 2023	<p>The meeting reviewed and approved the Proposal on the Election of the Board of Directors and the Selection of the Candidates for Non-independent Directors of</p>

			<i>the Fifth Board of Directors, the Proposal on the Election of the Board of Directors and the Selection of the Candidates for Independent Directors of the Fifth Board of Directors, and the Proposal for Convening the 2023 First Extraordinary Shareholders' Meeting.</i>
First Meeting of the Fifth Board of Directors	July 26, 2023	July 28, 2023	The meeting deliberated on and approved the <i>Proposal on Election of the Chairman for the Fifth Board of Directors, the Proposal on Election of the Vice Chairman for the Fifth Board of Directors, the Proposal on Election of Members for Specialized Committees of the Fifth Board of Directors, the Proposal on Appointment of President of the Company, the Proposal on Appointment of Vice Presidents of the Company, the Proposal on Appointment of Chief Financial Officer of the Company, the Proposal on Appointment of Board Secretary of the Company, the Proposal on Appointment of Chairman Assistant of the Company, the Proposal on Appointment of Securities Affairs Representatives of the Company, the Proposal for Amending the Articles of Association, Proposal for Revising the Rules of Procedure for the Board of Directors, and the</i>

			<i>Proposal for Convening the 2023 Second Extraordinary Shareholders' Meeting.</i>
Second Meeting of the Fifth Board of Directors	July 31, 2023	August 1, 2023	The meeting reviewed and approved the <i>Proposal on the Share Repurchase Plan</i> , and <i>Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to Share Repurchase of the Company</i> was approved.
Fifth Meeting of the Fifth Board of Directors	August 24, 2023	August 28, 2023	The meeting reviewed and approved the <i>Full Text and Summary of the 2023 Semi-Annual Report</i> , and <i>Special Report on the Deposit and Use of Raised Funds in the First Half of 2023</i> .
Fourth Meeting of the Fifth Board of Directors	October 19, 2023		The meeting reviewed and approved the <i>Proposal on the Report for the Third Quarter of 2023</i> .
Fifth Meeting of the Fifth Board of Directors	December 12, 2023	December 13, 2023	The meeting reviewed and approved the <i>Proposal on the Achievement of the Second Attribution Period Conditions of the Company's Phase III Restricted Share Incentives</i> , <i>Proposal on Canceling the Second Category of Restricted Shares Granted but Not Yet Attributed under Phase III Restricted Share Incentives</i> , and the <i>Proposal on Adjusting the Granting Price of the Second Category of</i>

			<i>Restricted Shares under the Company's Third Restricted Share Incentive Plan.</i>
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2. Directors' attendance at the Board of Directors and Shareholders' Meeting

Attendance of Directors in the meetings of the Board of Directors and general meeting of shareholders							
Name of Director	Number of attendance in board meetings required during the Reporting Period	Number of on-site attendance in board meetings	Number of telecommunication-based attendance in board meetings	Number of attendance in board meetings by proxy	Number of absence from board meetings	Whether or not attending board meetings in person for two consecutive times	Number of attendance in general meetings of shareholders
Liang Qin	10	6	4	0	0	No	3
Liang Yao	10	5	5	0	0	No	2
Chen Runsheng	10	3	7	0	0	No	1
Liu Congning	10	4	6	0	0	No	2
Jin Zhiguo	5	0	5	0	0	No	0
Yu Xiekang	5	0	5	0	0	No	1
Chen Tongguang	5	0	5	0	0	No	2
GUO QIANG	5	0	5	0	0	No	0
Liu Zhihong	5	0	5	0	0	No	0
Yu Ping	5	1	4	0	0	No	0

Explanation for not attending two consecutive Board of Directors meetings in person

N/A

3. Directors' objections to Company-related matters

Whether the director has raised objections to company-related matters

Yes No

During the Reporting Period, the Directors did not raise any objection to the relevant matters of the Company.

4. Other explanations for directors fulfilling their duties

Whether the director's suggestions on company-related matters have been adopted

Yes No

Explanation for the director's suggestions on company-related matters being adopted or not adopted

During the Reporting Period, the Company's directors diligently performed their duties, strictly following the provisions of the *Company Law*, the *Securities Law*, and other laws, regulations, normative documents, and the *Articles of Association*:

(1) Effectively fulfilling the responsibilities of directors. During the Reporting Period, the directors actively understood the Company's operating conditions, internal control construction, and the implementation of the Board of Directors' resolutions through attending the Board of Directors meetings, shareholders' meetings, on-site inspections, and telephone communications. They made full use of their professional knowledge to effectively supervise the Company's production and business activities. The directors provided valuable professional advice on the Company's idle funds management, participation in foreign exchange hedging, overseas investment, share incentive plans, and the issuance of GDRs. The directors carefully reviewed the Board of Directors' various proposals, pre-examined relevant materials for major issues deliberated and decided by the Board of Directors, and inquired with the Company's relevant departments and personnel when necessary. They exercised their voting power with an objective and prudent attitude, promoting the scientific and objective nature of the board's decision-making and effectively safeguarding the legitimate rights and interests of the Company and its shareholders.

(2) Continuous attention to the Company's information disclosure. During the Reporting Period, the directors urged the Company to strictly comply with the relevant provisions of the *Shenzhen Stock Exchange Listing Rules* and other laws, regulations, and the *Information Disclosure Management Measures*, focusing on the Company's information disclosure and ensuring the truthfulness and accuracy of the Company's information disclosure.

IX. The situation of the Specialized Committees under the Board of Directors during the reporting period

Name of Committee	Membershi p	Number of Meetings	Convening Date	Meeting Contents	Important Opinions and Suggestions	Other Performanc e of Duties	Specific Situations of Objections (if any)
The Audit Committee of the Fourth Board of Directors	Chen Tongguang, Yu Xiekang and Liu Congning	2	April 11, 2023	The meeting reviewed and approved the <i>Internal Audit Work Report for the Fourth Quarter of</i>	/	/	/

				2022, the Company's 2022 Annual Audit Work Summary, the Company's Internal Audit Work Plan for 2023, the Company's Internal Audit Work Plan for the First Quarter of 2023, the Company's 2022 Internal Control Self-evaluation Report, the Special Report on the Deposit and Use of Raised Funds in 2022, the Company's 2022 Annual Financial Statements, and the Proposal for Reappointing Tianjian Accounting Firm (Special General Partnership) as the Company's Audit Institution for 2023.			
The Audit Committee of the Fourth Board of	Chen Tongguang, Yu Xiekang and Liu Congning	2	April 18, 2023	The meeting reviewed and approved the	/	/	/

Directors				<i>Company's 2023 First Quarter Internal Audit Work Report, Company's 2023 Second Quarter Internal Audit Work Plan, and Company's 2023 First Quarter Financial Statement.</i>			
The Nomination Committee of the Fourth Board of Directors	Yu Xiekang, Jin Zhiguo and Liang Qin	1	June 30, 2023	The meeting reviewed and approved the <i>Proposal on the Election of the Board of Directors.</i>	/	/	/
The Remuneration and Appraisal Committee of the Fourth Board of Directors	Jin Zhiguo, Chen Tongguang and Liang Yao	1	March 10, 2023	The meeting reviewed and approved the <i>Report on the Performance of the Company's Senior Management in 2022</i> and <i>Proposal on Directors and Senior Management's Remuneration for 2022 and Remuneration Plan for 2023.</i>	/	/	/
The Strategy	Liang Qin, Liu	2	February	The meeting	/	/	/

Committee of the Fourth Board of Directors	Congning, Liang Yao, Chen Runsheng, Jin Zhiguo, Yu Xiekang and Chen Tongguang		14, 2023	reviewed and approved the <i>Proposal on Acquiring 30% Equity Interest in Hunan Chuwei Semiconductor Technology Co., Ltd</i> and the <i>Proposal on Continuing to Engage in Foreign Exchange Hedging.</i>			
The Strategy Committee of the Fourth Board of Directors	Liang Qin, Liu Congning, Liang Yao, Chen Runsheng, Jin Zhiguo, Yu Xiekang and Chen Tongguang	2	April 14, 2023	The meeting reviewed and approved the <i>Proposal on Signing a Framework Contract for the 6-inch Silicon Carbide Wafer Project Entering the Park.</i>	/	/	/
The Audit Committee of the Fifth Board of Directors	Yu Ping, Liu Zhihong, Congning Liu	2	August 9, 2023	The meeting reviewed and approved the <i>Company's 2023 Second Quarter Internal Audit Work Report, Company's 2023 Third Quarter Internal Audit Work Plan,</i>	/	/	/

				<i>Company's 2023 Semi-annual Financial Statement, and 2023 Semi-annual Special Report on Fundraising Fund Placement and Actual Usage.</i>			
The Audit Committee of the Fifth Board of Directors	Yu Ping, Liu Zhihong, Congning Liu	2	October 20, 2023	The meeting reviewed and approved the <i>Company's 2023 Third Quarter Internal Audit Work Report, Company's 2023 Fourth Quarter Internal Audit Work Plan, Company's 2023 Third Quarter Financial Statement, and 2023 First Three Quarters Special Report on Fundraising Fund Placement and Actual Usage.</i>	/	/	/
The Nomination Committee of the Fifth Board of Directors	Liu Zhihong, GUO QIANG, Liang Qin	1	September 5, 2023	The meeting reviewed and approved the <i>Proposal on Adjusting</i>	/	/	/

				<i>the Responsible Persons within the Manufacturing Operations System.</i>			
The Remuneration and Appraisal Committee of the Fifth Board of Directors	GUO QIANG, Yu Ping, Chen Runsheng	2	August 8, 2023	The meeting reviewed and approved the <i>Proposal on Adjusting the Allowances for Independent Directors.</i>	/	/	/
The Remuneration and Appraisal Committee of the Fifth Board of Directors	GUO QIANG, Yu Ping, Chen Runsheng	2	December 8, 2023	The meeting reviewed and approved the <i>Proposal on the Achievement of the Second Attribution Period Conditions of the Company's Phase III Restricted Share Incentives, Proposal on Canceling the Second Category of Restricted Shares Granted but Not Yet Attributed under Phase III Restricted Share Incentives, and the Proposal on</i>	/	/	/

				<i>Adjusting the Granting Price of the Second Category of Restricted Shares under the Company's Phase III Restricted Share Incentives.</i>			
The Strategy Committee of the Fifth Board of Directors	Liang Qin, Liu Congning, Liang Yao, Chen Runsheng, GUO QIANG, Liu Zhihong, Yu Ping	1	July 26, 2023	The meeting reviewed and approved the <i>Proposal on the Share Repurchase Plan</i>	/	/	/

X. Working status of the Supervisory Committee

Whether the Supervisory Committee detected any risks of the Company in its supervisory activities during the Reporting Period.

Yes No

The Board of Supervisors raised no objection to the matters it supervised in the Reporting Period.

XI. Company employee status

1. The number, professional structure and education levels of the staff

Number of current employees in the parent company (person) as at the end of the Reporting Period	3,480
Number of current employees in major subsidiaries (person) as at the end of the Reporting Period	2,521
Total number of current employees (person) as at the end of the Reporting Period	6,001
Total number of employees receiving remuneration during the period (person)	6,001
Number of ex-employees or retired employees	0

for which the parent company and the major subsidiaries have obligations (person)	
Specialty composition	
Category of specialty composition	Number of people (person)
Production	3,845
Sales	482
Technical	962
Financial	65
Administration	647
Total	6,001
Education level	
Category of education level	Number of people (person)
Doctorate	3
Master	152
Bachelor's degree	1,287
Junior college	1,420
High school degree and below	3,139
Total	6,001

2. Remuneration policy

The Company adopts a broadband salary and comprehensive remuneration system, providing employees with competitive industry salaries and a wide range of welfare policies. In addition to regular salaries, employees also receive various monetary and non-monetary benefits, such as share incentives, free working meals, apartment-style dormitories, company-paid physical examinations, policy-based housing loans, and scholarships for children, striving to achieve a double harvest of material and spiritual well-being for employees.

3. Training Plans

The Company, combining the Yangjie Capability Model and Ram Charan's Leadership Pipeline Theory, has continuously improved the five-level talent training and development system, which includes the Qingsong Plan, Hidden Dragon Plan, Flying Dragon Plan, Outstanding Talents I, and

Outstanding Talents II. The Company has also completed the construction of the C-PML course system and assembled a team of lecturers with Yangjie's characteristics. In 2023, the Company focused on enhancing the capabilities of management cadres by carrying out a series of courses for cadre team building, ranging from the Company's senior management cadre training and a boot camp for factory managers to improve their hands-on management skills. Training for operational staff was also intensified. The Company also prioritized building the culture of the engineer team by organizing activities such as the Engineer Club, Engineer Salon, and Engineer Culture Festival, inviting experts and professors from renowned universities like Peking University, Xidian University, and Yangzhou University to give lectures on semiconductor specialties. Concurrently, 60 internal professional courses were held, with engineers from different business units collaborating on quality expansion, enriching the spiritual culture of engineers. The Company conducted engineer professional title evaluations, and identifying outstanding engineer benchmarks. The Company prioritized the development of its automotive regulations team, focusing on cultivating the R&D, quality, and production personnel. Training for automotive-grade personnel was conducted in a layered and role-specific manner, ensuring comprehensive empowerment. The Company employed diverse educational approaches, including coursework, book sharing sessions, lectures by renowned speakers, and themed salons, guaranteeing that each employee receives over 50 hours of training annually. The Company continuously improved the Team Management and Team Building Practice and TWI-JI courses for grassroots management cadres. The Company organized innovative management proposal initiatives, collected suggestions for improvements, and conducted competitions for Engineering & Quality Stars. It implemented contests to recognize outstanding employees, "Pioneer Workers", and the creation of exemplary teams. In terms of talent cultivation, the Company fully implemented Employee Career Management-IPD and the key position successor plan. Through line managers, HRBP, and career mentors, the Company ensured the comprehensive training and career development of employees, creating a multi-dimensional training and development system.

4. Outsourcing of labor

Applicable Not applicable

Total labor outsourcing hours (hours)	1,059,770
Total remuneration paid for labor outsourcing (RMB)	30,376,242.37

XII. Company profit distribution and capital provident fund conversion to share capital situation

Formulation, execution and adjustments of the profit distribution policies, especially the cash dividend distribution policy, during the Reporting Period

Applicable Not applicable

The Company's profit distribution plan and capital provident fund conversion to share capital plan for the Reporting Period are consistent with the relevant provisions of the Company's articles of association and dividend management measures.

Yes No Not applicable

The Company's profit distribution plan and capital provident fund conversion to share capital plan for the Reporting Period comply with the relevant provisions of the Company's articles of association.

The profit distribution and capital provident fund conversion to share capital situation for this year

Number of bonus shares to be distributed for every ten shares (share)	0
Amount to be distributed for every ten shares (RMB) (tax inclusive)	6
Number of shares to be converted into share capital for every ten shares (share)	0
Allocation base of the distribution plan (shares)	540,608,382
Cash dividend amount (RMB) (including tax)	324,365,029.20
Cash dividend amount in other ways (such as share repurchase) (RMB)	59,962,257.01
Total cash dividend amount (including other ways) (RMB)	384,327,286.21
Proportion of the total cash dividend amount (including other methods) to the total profit distribution amount	100.00%
The current cash dividend distribution	
If the Company is in the phase of development difficult to distinguish and there are arrangements for major capital expenditures, cash dividends shall account for at least 20% in the profit distribution;	
Detailed note on the plan for profit distribution or the conversion of capital provident fund into the share capital	
<p>Tianjian Accounting Firm (Special General Partnership) audited that the parent company realized a net profit of RMB707,148,600 in 2023. According to the relevant provisions of the <i>Company Law</i> and the <i>Articles of Association</i>, the statutory surplus provident fund to be extracted that year was RMB15,121,100. Adding the undistributed profit of RMB1,845,636,800 at the beginning of the year and deducting the cash dividends of RMB270,725,900 distributed during the Reporting Period for the 2022 fiscal year, the accumulated profit available for distribution to the parent company's shareholders was RMB2,266,938,300.</p> <p>In accordance with the <i>Company Law</i>, the <i>Articles of Association</i>, and the guiding opinions of the CSRC on encouraging listed companies to distribute cash dividends and provide stable and reasonable returns to investors, the Company's 2023 profit distribution plan is proposed as follows, subject to adhering to the profit distribution principle and ensuring the Company's normal operation and long-term development:</p> <p>Based on the total share capital of 540,608,382 shares after deducting the shares repurchased in</p>	

the repurchase account as at April 18, 2024, a cash dividend of RMB6.00 (including tax) will be distributed to all shareholders for every 10 shares, amounting to a total of RMB324,365,029.20 (including tax) in cash dividends. From the date the profit distribution plan is disclosed until the equity distribution share registration date, if the total number of shares of the Company changes due to the listing of additional shares, the exercise of stock options, share repurchases, or other such activities, the Company will adjust the total amount distributed while maintaining the original distribution ratio.

The Company has not proposed a cash dividend distribution plan during the Reporting Period, when profits are made and the parent company's profit distributable to shareholders remains positive.

Applicable Not applicable

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

Applicable Not applicable

1. Share incentives

Phase III restricted share incentives

On December 12, 2023, the Company held the fifth Meeting of the Fifth Board of Directors to deliberate on and approve the *Proposal on the Achievement of the Second Attribution Period Conditions of the Company's Phase III Restricted Share Incentives*, the *Proposal on Canceling the Second Category of Restricted Shares Granted but Not Yet Attributed under Phase III Restricted Share Incentives*, and *Proposal on Adjusting the Granting Price of the Second Category of Restricted Shares under the Company's Phase III Restricted Share Incentives*. The Board of Directors believed that the vesting conditions in the second vesting period of the third restricted share incentive plan were met and 1,564,200 restricted shares could be vested this time. It agreed that the Company handled the vesting-related matters for 519 eligible incentive targets in accordance with the relevant provisions of the incentive plan.

During the capital contribution and share registration process, one incentive recipient relinquished their payment due to personal reasons, leading the Company to void 1,000 restricted shares that had been granted but not yet vested. Ultimately, the Company processed the vesting registration for 518 incentive recipients, with a total of 1,563,200 shares vested on January 12, 2024.

Equity incentives granted to the directors and senior management

Applicable Not applicable

Appraisal mechanisms and incentives for senior management

The Company has established a complete performance appraisal system and a remuneration policy for senior management. The work performance of senior management is directly linked to their salaries. According to the completion of the Company's annual operating goals and the work performance of senior management, the Remuneration and Appraisal Committee of the Board of Directors conducts annual performance appraisals on senior management and supervises the implementation of the remuneration policy. During the Reporting Period, in strict compliance with the *Company Law*, the *Articles of Association* and other relevant laws and regulations, the Company's senior management diligently fulfilled their duties, and actively implemented the resolutions of the Shareholders' Meeting and the Board of Directors. The Company's senior management received corresponding remuneration based on their positions in the Company.

The Company has implemented the Phase III Restricted Share Incentives and the incentive targets include some on-the-job directors and senior management personnel of the Company. According to the *Implementation and Appraisal Regulations on Phase III Restricted Share Incentives*, the Remuneration and Appraisal Committee of the Board of Directors is responsible for leading, organizing, and implementing the appraisal of incentive targets and supervising the implementation of the appraisal results. Under the leadership of the Remuneration and Appraisal Committee, the Human Resources Department, the Finance Department, the Securities Department and other relevant departments of the Company have formed a working group to collect and sort out relevant data, calculate the appraisal scores of the incentive targets, and summarize materials related to appraisal results. The working group shall be responsible for the authenticity and reliability of relevant data and summary materials. The Company's Remuneration and Appraisal Committee of the Board of Directors shall deliberate on the appraisal results of incentive targets and make resolutions.

2. Implementation of the employee stock ownership plan

Applicable Not applicable

3. Other employee incentive measures

Applicable Not applicable

XIV. Building of the internal control system and its implementation during the reporting period

1. Internal control establishment and implementation

During the Reporting Period, in accordance with the provisions of the *Basic Code for Internal Control of Enterprises* and its supporting guidelines and other regulatory requirements for internal control, the Company has set up a strict and systematic internal control mechanism, a standardized corporate governance structure, and rules of procedure in line with its actual situation. It also has formed a scientific and effective division of responsibilities and checks and balances mechanism: the Company's Board of Directors truthfully evaluates and discloses the internal control evaluation report in accordance with the provisions of the enterprise's internal control system; the Supervisory Committee supervises the establishment and implementation of internal control by the Board of Directors; the management is responsible for organizing and leading the daily operation of the internal control of the enterprise. By clearly defining the responsibilities and authorities of all parties, the Company can effectively prevent, promptly identify, and correct deviations in its operation and management. It can also reasonably protect the security and integrity of the Company's assets, and reasonably ensure the authenticity, accuracy, and integrity of accounting information.

Through the operation, analysis, and assessment of the internal control system, the Company has effectively prevented risks in operation and management and promoted the realization of internal control objectives. The Company had no material or significant deficiencies in the internal control of financial statements and non-financial statements during the Reporting Period. Through the operation, analysis, and assessment of the internal control system, the Company has effectively prevented risks in operation and management and promoted the realization of internal control objectives. The Company will continue to improve the internal control system and standardize its implementation, and strengthen the supervision and inspection of internal control to promote the healthy and sustainable development of the Company.

2. Major deficiencies in internal control during the Reporting Period

Yes No

XV. Management and control of subsidiaries by the Company during the reporting period

Name of company	Integration plan	Integration progress	Challenges faced during the integration	Actions taken to resolve the challenges	Progress made in resolving the challenges	Plan for follow-up solutions
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XVI. Internal control self-assessment report or internal control auditor's report**1. Internal control self-assessment report**

Date of full disclosure of the internal control assessment report	April 22, 2024	
Index of full disclosure of the internal control assessment report	www.cninfo.com.cn	
Ratio of the total assets of the organizations included in the assessment to the Company's consolidated total assets	100.00%	
Ratio of the operating revenue of the organizations included in the assessment to the Company's consolidated operating revenue	100.00%	
Deficiency identification criteria		
Category	Financial statement	Non-financial statement
Qualitative criteria	Material deficiencies: (1) Material losses and adverse effects to the Company were caused due to the fraud of any director, supervisor or senior management; (2) significant deficiencies that had been identified and reported to the management were not	Material deficiencies: (1) Material mistakes caused by the decision-making process; (2) lack of mechanism control or systemic failure and effective compensatory control in important business; (3) serious loss of middle and senior management and senior

	<p>corrected within a reasonable period; (3) material misstatement identified by the certified public accountant in the current financial statement failed to be identified in the process of internal control; (4) the internal control of the Company's Audit Committee and the Audit Department failed to perform effective supervision. Significant deficiencies: (1) Failure to choose and apply accounting policies according to the Generally Accepted Accounting Principles; (2) failure to establish anti-fraud procedures and control measures; (3) lack of corresponding control program for accounting treatment of unconventional or special transactions; (4) one or more defects in the financial reporting process, although not meeting the criteria for material defects, still affected the authenticity and accuracy of financial statements. General deficiencies: Deficiencies in internal control other than material deficiencies and significant deficiencies.</p>	<p>technical personnel; (4) the results of internal control evaluation, especially material deficiencies, haven't been rectified; (5) other circumstances that have a material negative impact on the Company. Significant deficiencies: (1) General mistakes caused by the decision-making process; (2) deficiencies in the mechanism or system of significant business; (3) serious loss of business personnel in key posts; (4) the results of internal control evaluation, especially significant deficiencies, haven't been rectified; (5) general deficiencies haven't been rectified; (6) other circumstances that have a negative impact on the Company. General deficiencies: (1) Inefficient decision-making process; (2) deficiencies in the general business mechanism or system; (3) serious loss of general business personnel.</p>
Quantitative criteria	<p>Material deficiencies: Misstated amount $\geq 5\%$ of the total assets in the consolidated financial statement; or misstated amount $\geq 5\%$ of the total audit revenue in the consolidated financial statement; or misstated amount $\geq 5\%$ of the total profit in the consolidated financial statement. Significant deficiencies: 1% of the total assets in the consolidated financial statement \leq misstated</p>	<p>Material deficiencies: Direct loss $> 0.5\%$ of the total assets; significant deficiencies: 0.2% of the total assets $<$ direct loss $\leq 0.5\%$ of the total assets; general deficiencies: direct loss $\leq 0.2\%$ of the total assets.</p>

	<p>amount < 5% of the total assets in the consolidated financial statement; or 1% of the total audit revenue in the consolidated financial statement ≤ misstated amount < 5% of the total audit revenue in the consolidated financial statement; or 1% of the total profit in the consolidated financial statement ≤ misstated amount < 5% of the total profit in the consolidated financial statement.</p> <p>General deficiencies: Misstated amount < 1% of the total assets in the consolidated financial statement; or misstated amount < 1% of the total audit revenue in the consolidated financial statement; or misstated amount < 1% of the total profit in the consolidated financial statement.</p>	
Number of significant defects in the financial statements		0
Number of significant defects in non-financial statements		0
Number of major defects in the financial statements		0
Number of major defects in non-financial statements		0

2. Internal control auditor's report or authentication report

N/A

XVII. Remediation of problems identified by self-inspection in the special action on the governance of listed companies

Not applicable.

Section V Environmental and Social Responsibility

I. Major environmental protection issues

If the listed company and its subsidiaries are in the list of key pollutant discharge institutions as declared by environmental protection authorities

Yes No

Policies and industry standards on environmental protection

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

Status of environmental protection administrative license

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

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

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

Industry standards for discharges and discharges of pollutants in production and operation activities

Name of company or subsidiary	Types of major pollutants and characteristic pollutants	Name of major pollutants and characteristic pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge/Emission Concentration/Intensity	Pollutant discharge standards	Total Discharge/Emissions	Approved Total Discharge/Emissions	Excess discharge

West Heye Road Factory of Yangjie Technology	Wastewater	COD, SS, total nitrogen, ammonia nitrogen, total phosphorus, fluoride, LAS	After treatment with wastewater treatment devices, the wastewater was discharged into the municipal pipe network, which would be taken over by the Beishan wastewater treatment plant.	1	General wastewater outlet	COD: 38mg/L SS: 8 mg/L Total nitrogen: 24 mg/L Ammonia nitrogen: 11 mg/L Total phosphorus: 0.16 mg/L Fluoride: 7.02 mg/L	COD: 300 mg/L SS: 250mg/L Total nitrogen: 35 mg/L Ammonia nitrogen: 20 mg/L Total phosphorus: 3 mg/L Fluoride: 15 mg/L	COD: 20.33 t SS: 4.28 t Total nitrogen: 12.84 t Ammonia nitrogen: 5.885t Total phosphorus: 0.0856 t Fluorides: 3.8092 t	COD: 268.8 t SS: 201.6 t Total nitrogen: 47.06 t Ammonia nitrogen: 30.24t Total phosphorus: 5.376 t Fluoride: 13.44 t	No
West Heye Road Factory of Yangjie Technology	Exhaust gas	VOCs	Emitted from the exhaust pipe after treatment by the activated carbon adsorption device	6	Roof of the production department	Non-methane total hydrocarbon: 7.86 mg/m ³	Non-methane total hydrocarbon: 50 mg/m ³	Non-methane total hydrocarbon: 4.3 t	Non-methane total hydrocarbon: 6.2042 t	No
West Heye Road Factory of Yangjie Technology	Exhaust gas	HCl, NOx, sulfuric acid mist, fluoride, acetic acid, NH3	Emitted from the exhaust pipe after treatment by lye spray tower	3	Sewage station and roof of the production department	HCl: 0.83 mg/L NOx: 2.5 mg/L Sulfuric acid mist: 0.26 mg/L	HCl: 10 mg/L NOx: 50 mg/L Sulfuric acid	HCl: 0.96 t NOx: 1.1 t Sulfuric acid mist:	HCl: 1.769 t NOx: 1.13 t Sulfuric acid mist:	No

						Fluorides: 0.92 mg/L Acetic acid: 0 mg/L NH3: 0.37 mg/L	mist: 5 mg/L Fluorides: 1.5 mg/L Acetic acid: /mg/L NH3: 10 mg/L	0.11 t Fluoride: 1.04 t Acetic acid: 0 t; NH3: 0.2 t	0.721 t Fluorides: 1.259 t Acetic acid: 0.32 t; NH3: 0.428 t	
Innovation Park Factory of Yangjie Technology	Wastewater	COD, SS, ammonia nitrogen, fluoride, total phosphorus, animal and vegetable oil	After treatment with wastewater treatment devices, the wastewater was discharged into the municipal pipe network, which would be taken over by the Beishan wastewater treatment plant.	1	General wastewater outlet	COD: 50mg/L SS: 10 mg/L Ammonia nitrogen: 10 mg/L Total phosphorus: 0.24 mg/L Fluorides: 6.7 mg/L	COD: 300 mg/L SS: 250 mg/L Ammonia nitrogen: 20 mg/L Total phosphorus: 3 mg/L Fluoride: 15 mg/L	COD: 17.5 t SS: 3.5 t Ammonia nitrogen: 3.5 t Total phosphorus: 0.084 t Fluorides: 2.345 t	COD: 149.76 t SS: 112.32 t Ammonia nitrogen: 6.85 t Total phosphorus: 3 t Fluorides: 7.49 t	No
Innovation Park Factory of Yangjie Technology	Exhaust gas	VOCs	Emitted from the exhaust pipe after treatment by the	1	Roof of the production department	Non-methane total hydrocarbon: 12.5 mg/m ³	Non-methane total hydrocarbon: 50 mg/m	Non-methane total hydrocarbon: 0.39 t	Non-methane total hydrocarbon: 0.99 t	No

			activated carbon adsorption device							
North Gaoshu Road Factory of Yangjie Technology	Wastewater	COD, SS, total nitrogen, ammonia nitrogen, total phosphorus, phenol, petroleum, total copper, and total tin	After treatment with wastewater treatment devices, the wastewater was discharged into the municipal pipe network, which would be taken over by the Beishan wastewater treatment plant.	1	General wastewater outlet	COD: 19 mg/L SS: 35 mg/L Total nitrogen: 2.3 mg/L Ammonia nitrogen: 0.132 mg/L Total phosphorus: 0.06 mg/L Phenol: 0 mg/L Petroleum: 0.1 mg/L Total copper: 0.015 mg/L Total tin: 0 mg/L	COD: 500 mg/L SS: 400 mg/L Total nitrogen: 70 mg/L Ammonia nitrogen: 45 mg/L Total phosphorus: 8 mg/L Phenol: 1 mg/L Petroleum: 15 mg/L Total copper: 2 mg/L Total tin: 5 mg/L	COD: 0.91 t SS: 0.45 t Total nitrogen: 0.024 t Ammonia nitrogen: 0.0012 t Total phosphorus: 0.006 t Phenol: 0 t Petroleum: 0.003 t Total copper: 0.0007 t Total tin: 0 t	COD: 2.597 t SS: 0.81 t Total nitrogen: 0.082 t Ammonia nitrogen: 0.048 t Total phosphorus: 0.006 t Phenol: 0.0033 t Petroleum: 0.004 t Total copper: 0.008 t Total tin: 0.007 t	No
North Gaoshu Road Factory of Yangjie Technology	Exhaust gas	Non-methane total hydrocarbons, sulfuric acid mist, nitrogen oxides	Emitted from the exhaust pipe after treatment by lye spray tower	2	Roof of the production department	Sulfuric acid mist: 0.16 mg/m ³ Non-methane total hydrocarbon: 2.95 mg/m ³ Nitrogen	Sulfuric acid mist: 30 mg/m ³ Non-methane total hydrocarbon: 60 mg/m ³ Nitrogen oxides:	Non-methane total hydrocarbon: 0.202 t Sulfuric acid mist: 0.0852 t Nitrogen oxides:	Non-methane total hydrocarbons: 0.665 t Sulfuric acid mist: 0.249 t Nitrogen oxides:	No

						oxides: 0 mg/m ³	200 mg/m ³	0.0578 t	0.104 t	
Microelectronic Industrial Park Factory of Yangjie Technology	Wastewater	COD, SS, total nitrogen, ammonia nitrogen, total phosphorus, animal and vegetable oil, total copper, and total tin	After treatment with wastewater treatment devices, the wastewater was discharged into the municipal pipe network, which would be taken over by the Beishan wastewater treatment plant.	1	General wastewater outlet	COD:9 9.13 mg/L SS:26. 69mg/ L Total nitrogen: 17.54 mg/L Ammonia nitrogen: 8.86 mg/L Total phosphorus: 0.39 mg/L Total phosphorus: 0.65 mg/L Total copper: 0.03 mg/L Total tin: 0 mg/L	COD: 300 mg/L SS: 250 mg/L Total nitrogen: 35 mg/L Ammonia nitrogen: 20 mg/L Total phosphorus: 3 mg/L Total phosphorus: 100 mg/L Total copper: 0.3 mg/L Total tin: 5 mg/L	COD:1 7.35 t SS:4.67 t Total nitrogen: 3.07 t Ammonia nitrogen: 1.55 t Total phosphorus: 0.07 t Animal and vegetable oil: 0.11 t Total copper: 0.005 t Total tin: 0 t	COD:2 9.184 t SS:5.8 39t Total nitrogen: 5.511 t Ammonia nitrogen: 2.918 t Total phosphorus: 0.143 t Animal and vegetable oil: 0.584 t Total copper: 0.008 t Total tin: 0.0101 t	No
Microelectronic Industrial Park Factory of Yangjie Technology	Exhaust gas	NMHC	Emitted from the exhaust pipe after treatment by level-2 spraying tower	2	Roof of the product ion department	Non- methane total hydrocarbon: 0.54 mg/m ³	Non- methane total hydrocarbon: 50 mg/m ³	Non- methane total hydrocarbon: 0.2772 t	Non- methane total hydrocarbon: 0.5036 t	No

Pollutant treatment

The Company's environmental protection facilities were designed, constructed and accepted simultaneously as the construction project, and put into use after acceptance in accordance with the standard requirements and specifications of administrative regulations for environmental protection.

Regular operation, maintenance and other tasks were carried out to ensure the normal operation of environmental protection facilities and compliance with the emission standards. The wastewater facility outlets and the primary discharge outlet were set up with online pollutant monitoring devices, networked with local environmental protection authorities, and passed acceptance. Operation and maintenance were carried out by third-party professional institutions, and advanced treatment agents were adopted. Therefore, the concentration of pollution factors and total emissions were significantly reduced. The exhaust gas facilities were operated and maintained by professional personnel to ensure that the standards for exhaust gas emission were complied with. Hazardous wastes were entrusted to qualified third-party institutions for disposal.

Environmental self-monitoring programme

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

Emergency plan for contingent environmental incidents

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

Investment in environmental management and protection and the payment of the environmental protection tax

The Company conforms to China's laws and regulations related to environmental protection and pollution control. It paid the environmental protection tax in full on time for 2023.

Actions taken during the Reporting Period to reduce carbon emissions and the results

Applicable Not applicable

1. The high-speed line frequency conversion upgrade involved replacing four high-speed line fans, which had a combined power consumption of 20.5 KW, with a single 9.1 KW variable frequency fan. Operating for 21 hours daily and 26 days monthly, this change has resulted in an annual electricity saving of 298,800 kWh and cost savings of RMB230,000, reducing carbon emissions by 170.4 TCO₂e.

2. The modification of the organic emission system involved connecting the ducts of two fan systems (11 KW and 37.5 KW) and operating only the 37.5 KW motor on a variable frequency drive while discontinuing the 11 KW fan. Running 350 days a year, this modification has saved 92,400 kWh of electricity annually, reducing costs by RMB71,000 and cutting carbon emissions by 52.7 TCO₂e.

Administrative penalties caused by environmental protection issues during the Reporting Period

Name of company or subsidiary	Reason for the Penalty	Particulars of the Violation	Particulars of the Penalty	Impact on the Production and Operation of the Listed Company	Remediation Measures of the Company
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information to be disclosed

Not applicable.

Other information about environmental protection

Not applicable.

II. Social responsibility

For details, please refer to the *Report on the 2023 Annual Environmental, Social and Governance of Yangzhou Yangjie Electronic Technology Co., Ltd.* published by the Company on the same day on www.cninfo.com.cn.

III Consolidating and expanding the achievements in poverty alleviation and rural revitalisation

Not applicable.

Section VI Significant Events

I. Performance of undertaking

1. Commitments fulfilled in the Reporting Period or ongoing at the end of the Reporting Period by de facto Controller of the Company, shareholders, related parties, and acquirers, as well as the Company and other commitment-related parties

Applicable Not applicable

Reason for undertaking	Promisor	Type of undertaking	Details of undertaking	Time of commitment making and term	Term of commitment	Performance of undertaking
Commitment made in IPO or refinancing	Jiangsu Yangjie Investment Co., Ltd.; Yangzhou Jiejie Investment Co., Ltd.	Shareholding reduction commitment	1. If shares held in the Company are reduced within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issuing price of the Company's shares, and the shareholding in the Company reduced by Yangjie Investment and Jiejie Investment shall be no more than 5% of the total share capital of the Company after the issuance and the number of shares reduced shall be no more than 4 million; the relevant announce	December 17, 2013	The above-mentioned specific period	The commitments have been strictly fulfilled without any circumstance in violation of the commitments .

			<p>nt shall be released through Yangjie Technology three trading days in advance before reduction of shareholding in Yangjie Technology.</p> <p>2. Upon the expiration of the above-mentioned two-year period, Yangjie Investment and Jiejie Investment will reduce their shareholding in Yangjie Technology at the market price and at a price no lower than the audited ex-rights net assets per share of Yangjie Technology in the previous fiscal year. The relevant announcement shall be released through Yangjie Technology three trading days in advance before reduction of shareholding in Yangjie Technology.</p> <p>3. If the</p>			
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			<p>shares of the Company are sold directly or indirectly by means of centralized bidding in the non-secondary market for the sale of shares, it will not transfer to a third party engaged in the same or similar business as the Company or having other competitive relationship with the Company the shares held in the Company (including the shares otherwise controlled). Where such a transfer is proposed, it will be reported to the Company's Board of Directors in advance and will not be made before the Board of Directors has resolved to approve such transfer. 4. After the expiration of the lock-up period and within five years after the listing of the</p>			
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			<p>Company, the reduction of its shareholding in the Company will not lead to a change in the de facto controller of the Company. 5. It will reduce its shareholding in the Company primarily by adopting the centralized bidding in the secondary market for sales of shares, provided that the following conditions are met: (1) its committed lock-up period expires; (2) it has fully assumed the liability for compensation in case it is required to compensate investors; (3) if it intends to transfer to a third party engaged in the same or similar business as the Company or having other competitive relationship with the Company the</p>			
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			<p>shares held in the Company, it has obtained the Board of Directors' resolution for approval and will release the relevant announcement through the Company three trading days before reduction of shareholding in the Company.</p>			
Commitment made in IPO or refinancing	Liang Qin; Wang Yi; Liu Congning; Liang Yao; Xu Xiaobing; Dai Juan	Shareholding reduction commitment	<p>1. If shares held directly or indirectly by it are reduced within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issuing price of the Company's shares.</p> <p>2. Upon the expiration of the above-mentioned two-year period, it will reduce its shares held directly or indirectly in Yangjie Technology at the market price and at a price no lower than the audited ex-rights net</p>	December 17, 2013	The above-mentioned specific period	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<p>assets per share of Yangjie Technology in the previous fiscal year. The relevant announcement shall be released through Yangjie Technology three trading days in advance before reduction of direct or indirect shareholding in Yangjie Technology.</p> <p>3. In order to avoid the transfer of control of the Company and ensure the long-term stable development of the Company, if the shares of the Company are sold directly or indirectly by means of centralized bidding in the non-secondary market for the sale of shares, it will not transfer to a third party engaged in the same or similar business as the Company or having</p>			
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			<p>other competitive relationship with the Company the shares held in the Company (including the shares otherwise controlled). Where such a transfer is proposed, it will be reported to the Company's Board of Directors in advance and will not be made before the Board of Directors has resolved to approve such transfer. 4. The above-mentioned commitments made shall survive the period of her direct or indirect shareholding in the Company, and she will not waive the fulfillment of the above commitments due to her change of position or departure, etc. 5. Ms. Liang Qin committed that within five years after the listing of the Company, the reduction</p>			
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			of its direct or indirect shareholding in Yangjie Technology will not lead to a change in the de facto controller of the Company.			
Commitment made in IPO or refinancing	Jiangsu Yangjie Investment Co., Ltd.; Yangzhou Jiejie Investment Co., Ltd.	Commitments on horizontal competition, related-party transactions and capital appropriation	It does not and will not in any way engage in, whether directly or indirectly, any business which is the same as, similar to or competitive in any respect with that of the Company, nor will it invest in any way in any company, enterprise or other institution or organization, whether directly or indirectly, whose business is the same as, similar to or competitive in any respect with that of the Company. If Jiangsu Yangjie Investment Co., Ltd. and Yangzhou Jiejie Investment Co., Ltd.	August 19, 2011	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			breach the commitments, they are willing to bear the legal liabilities arising therefrom.			
Commitment made in IPO or refinancing	Liang Qin; Wang Yi; Liang Yao; Shen Ying; Wang Yan	Commitments on horizontal competition, related-party transactions and capital appropriation	They do not and will not in any way engage in, whether directly or indirectly, any business which is the same as, similar to or competitive in any respect with that of the joint-stock company, nor will they invest in any way in any company, enterprise or other institution or organization, whether directly or indirectly, whose business is the same as, similar to or competitive in any respect with that of the joint-stock company; they will not make available to any other companies, enterprises or other institutions, organizations or individuals	August 19, 2011	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			whose business is the same as, similar to or competitive in any respect with that of the joint-stock company know-how and such other trade secrets as sales channels or customer information.			
Commitment made in IPO or refinancing	Liang Qin	Commitments on horizontal competition, related-party transactions and capital appropriation	Ms. Liang Qin undertakes to try to avoid related-party transactions with Yangjie Technology as far as possible, and will conduct unavoidable connected business exchanges or transactions on the basis of equal footing and free will, and under the principles of fairness, equity and compensation for equal value, in which the transaction price will be determined as informed by the reasonable price recognized by the market. Ms.	August 19, 2011	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<p>Liang Qin will strictly comply with the provisions of such normative documents as the <i>Articles of Association of Yangjie Technology</i>, the <i>Decision-making Rules for Related-party Transactions</i> on related-party transactions, carry out all related-party transactions involved under the prescribed decision-making procedures, fulfill the legal procedures, and timely disclose information concerning related-party transactions.</p> <p>Ms. Liang Qin undertakes that she will not transfer or convey profits by taking advantage of related-party transactions, nor will she harm in any way the legitimate rights and interests of the joint-</p>			
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			stock company and its other shareholders by using her capacity as the de facto controller/controller or as a shareholder.			
Commitment made in IPO or refinancing	Liang Qin	Commitments on horizontal competition, related-party transactions and capital appropriation	Ms. Liang Qin undertakes that she will not in any way illegally occupy the funds of joint-stock company; if her occupation of joint-stock company's funds leads to losses to the joint-stock company, she will bear the compensation liability; Ms. Liang Qin undertakes to protect the legitimate rights and interests of joint-stock company, shareholders and other stakeholders by supervising joint-stock company's implementation of the <i>Management Rules for Preventing Major Shareholders</i>	August 19, 2011	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<i>and Related Parties from Occupying Funds of the Company.</i>			
Commitment made in IPO or refinancing	Jiangsu Yangjie Investment Co., Ltd; Liang Qin	Other undertakings	Where the Company and its predecessor is subject to any obligation to make supplementary payments or suffer any fines or losses as a result of the Company's failure to pay social insurance premiums and provident housing provident fund for its employees according to law, Liang Qin and Yangjie Investment will bear such obligation to make supplementary payments, fines or losses.	August 19, 2011	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments .
Commitment made in IPO or refinancing	Liang Qin	Other undertakings	Ms. Liang Qin will fully indemnify Jiangsu Yangjie Investment Co., Ltd. in case of any dispute or potential dispute with any third party due to	August 19, 2011	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments .

			the cancellation, industry and commerce, taxation, debts and liabilities or any other matters of Yangzhou Yangjie Electronic Import & Export Co., Ltd.			
Commitment made in IPO or refinancing	Liang Qin; Wang Yi; Liu Congning; Liang Yao; Xu Xiaobing; Chen Runsheng; Lin Zhaohuang; Dai Juan; Chen Xian; Tang Biao; Zhang Bin	Other undertakings	1. They undertake that they will not convey profits to other organizations or individuals without compensation or on unfair conditions, nor will they otherwise harm the interests of the Company. 2. They undertake that they will restrain consumption behaviors of the Directors and Senior Management for the purpose of performing their duties. 3. They undertake that they will not use the Company's assets in investment or consumption activities unrelated to	January 22, 2016	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<p>the performance of their duties. 4. They undertake that the remuneration system developed by the Board of Directors or the Remuneration Committee is linked to the Company's measures to fill returns. 5. They undertake that the right exercise conditions in the Company's equity incentive to be announced are linked to the implementation of the Company's measures to fill returns.</p>			
Commitment made in IPO or refinancing	Jiangsu Yangjie Investment Co., Ltd; Liang Qin	Other undertakings	They will not interfere with the Company's business operations and management activities and will not misappropriate the interests of the Company.	January 22, 2016	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.
Commitment made in IPO or	Jiangsu Yangjie Investment	Other undertakings	1. They will not convey profits to	June 19, 2020	Long-term effective	The commitments have been

refinancing	Co., Ltd; Liang Qin		<p>other organizations or individuals without compensation or on unfair conditions, nor will they otherwise harm the interests of the Company; 2. They will effectively fulfill the relevant measures developed by the Company to fill the returns and any commitments made by the Company/themselves in relation to the measures to fill the returns; if the Company / they breaches / breach such commitments and causes losses to the Company or investors, the Company/the y is / are willing to assume the liability for compensation to the Company or investors according to law; 3. Between the date of this Commitment and the completion of the implementati</p>			<p>strictly fulfilled without any circumstance in violation of the commitments .</p>
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			<p>on of this private offering of shares by the Company, if the China Securities Regulatory Commission (CSRC) makes other new regulatory provisions on the measures to fill returns and commitments, and the above-mentioned commitments cannot meet such new provisions of the CSRC, the supplementary commitments will then be made in accordance with the latest regulations of the CSRC. As one of the responsible parties in relation to the measures to fill the returns, the Company/the y will, if violating the above commitments or refusing to fulfill the above commitments, agree to accept the relevant penalties or</p>			
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			administrative measures to be imposed on the Company/the Company under the relevant regulations and rules formulated or issued by the CSRC and the Shenzhen Stock Exchange and other securities regulatory authorities.			
Commitment made in IPO or refinancing	Liang Qin; Liu Congning; Liang Yao; Chen Runsheng; Jin Zhiguo; Yu Xiekang; Chen Tongguang; Wang Wenxin; Dai Juan; Xu Xiaobing; Pamela Cheng; Shen Ying	Other undertakings	1. They will not convey profits to other organizations or individuals without compensation or on unfair conditions, nor will they otherwise harm the interests of the Company. 2. They will be diligent and responsible, strictly follow the Company's internal control and management requirements, avoid unnecessary consumption behaviors for the purpose of performing their duties, and actively cooperate with the	June 19, 2020	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			<p>Audit Department and other relevant departments in the routine inspection. 3. They undertake that they will not use the Company's assets in investment or consumption activities unrelated to the performance of their duties. 4. They undertake that the remuneration system developed by the Board of Directors or the Remuneration Committee is linked to the Company's measures to fill returns. 5. They undertake that the right exercise conditions in the Company's equity incentive (if any) to be announced are linked to the implementation of the Company's measures to fill returns. 6. Between the date of this</p>			
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			<p>Commitment and the completion of the implementation of this private offering of shares by the Company, if the China Securities Regulatory Commission (CSRC) makes other new regulatory provisions on the measures to fill returns and commitments, and the above-mentioned commitments cannot meet such new provisions of the CSRC, the supplementary commitments will then be made in accordance with the latest regulations of the CSRC. As one of the responsible parties in relation to the measures to fill the returns, the Company/the y will, if violating the above commitments or refusing to fulfill the above</p>			
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			commitments, agree to accept the relevant penalties or administrative measures to be imposed on the Company/the m under the relevant regulations and rules formulated or issued by the CSRC and the Shenzhen Stock Exchange and other securities regulatory authorities.			
Commitment made in IPO or refinancing	Yangzhou Yangjie Electronic Technology Co., Ltd.	Other undertakings	<p>I. The Company does not make any commitment to the issuance targets in relation to guaranteed income or make such commitments in a disguised manner, and will not provide financial support or compensation to the issuance targets directly or through stakeholders.</p> <p>II. The Company does not and will not provide, whether</p>	June 19, 2020	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments.

			directly or through stakeholders, financial support or compensation to the investors interested parties.			
Commitment Made to Minority Shareholders of the Company	Jiangsu Yangjie Investment Co., Ltd.	Other undertakings	In view of the unpaid principal (RMB50 million) for the 24th phase of Dongrong Wenhui No. 1 Fund subscribed by Yangjie Technology, Yangjie Investment, as the controlling shareholder of Yangjie Technology, hereby makes the following commitments in order to safeguard the interests of the listed company and all shareholders: If Yangjie Technology fails to recover the entire principal amount of its investment by December 31, 2018, Yangjie Investment will compensate Yangjie Technology	November 12, 2018	Long-term effective	The commitments have been strictly fulfilled without any circumstance in violation of the commitments .

			<p>for the amount of impairment provision made for the investment every year since 2018. The specific compensation amount is as follows: the compensation amount for the current year = the amount of impairment provision for the investment in the annual report (cumulative amount) - the amount of compensation already made by Yangjie Investment (cumulative amount). II. If the compensation amount for the current year calculated with the above formula is positive, Yangjie Investment will pay the compensation amount to Yangjie Technology within 60 days from the date on which the annual report of Yangjie</p>			
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			<p>Technology is reviewed and approved by the Shareholders' Meeting of Yangjie Technology.</p> <p>III. If the compensation amount for the current year calculated with the above formula is negative, Yangjie Investment will not make any compensation and Yangjie Technology shall promptly return to Yangjie Investment the amount paid by Yangjie Investment in excess of the amount of impairment provision (cumulative amount) in the annual report.</p> <p>IV. Yangjie Investment undertakes that the above commitments have been internally authorized and approved by Yangjie Investment and that it is entitled to sign and</p>			
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			perform this commitment letter.			
If the commitment has been timely fulfilled	Yes					
If the commitment was not timely fulfilled, the specific reasons and future work plans shall be stated.	N/A					

2. If there are profit forecasts on assets or projects of the Company, and the Reporting Period was within the term of profit forecasts, the Company has to state whether such profit forecasts on assets or projects have been reached and the reasons therefor.

Applicable Not applicable

II. Information on the misappropriation of the listed company's funds by its controlling shareholders and other related parties

Applicable Not applicable

As a listed company, the Company had no funds misappropriated by its controlling shareholders and other related parties in the Reporting Period.

III. Illegal external guarantee

Applicable Not applicable

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

IV. Notes by the Board of Directors on the latest "non-standard auditor's report"

Applicable Not applicable

V. Notes by the Board of Directors, the Board of Supervisors, and the Independent Directors (If Any) on the "Non-standard Auditor's Report" Issued by the Accounting Firm for the Reporting Period

Applicable Not applicable

VI. Description of changes in accounting policies and accounting estimates, or corrections of significant accounting errors by the Board of Directors

Applicable Not applicable

VII. Description of changes in the scope of consolidated statements compared to the previous year's financial statement

√Applicable Not applicable

1. Business combination not under the same control during the current period

Acquirees	Equity acquisition date	Equity acquisition cost (RMB)	Equity acquisition proportion (%)	Equity acquisition method	Acquisition date
Hunan Jiechuwei	2023-03-31	650,332,415.17	70.00	Acquisition	2023-3-31

2. Change in consolidation scope for other reasons

(1) Increase in the consolidation scope

Name of company	Way to gain equity	Time and place of gaining equity	Amount of Contribution	Proportion of Contribution
MCC Singapore	Set-up	March 2023	USD18,147,500.00	100.00%
YJ	Set-up	May 2023	JPY6,000,000.00	100.00%
MCC Vietnam	Set-up	August 2023	USD18,000,000.00	100.00%

(2) Decrease in the consolidation scope

Name of company	Method of equity disposal	Equity disposal date	Net assets on disposal date	Net profit from the beginning of the period to the disposal date Net profit (RMB)
Jaywin Chip Company	De-registered	November 2023		3,348,596.94
Inner Mongolia Qingyang Company	De-registered	July 2023		22,395.68

VIII. Engagement and disengagement of accounting firms

Accounting firms currently engaged

Name of the domestic accounting firm	Pan-China Certified Public Accountants (Special General Partnership)
Remuneration for the domestic accounting firm (Unit: RMB10,000)	100
Consecutive years of audit services of the domestic accounting firm	14
Name of certified public accountant of the domestic accounting firm	Ni Guojun, Li Zongwei
Consecutive years of audit services of the certified public account(s) from the domestic accounting firm	Ni Guojun: five years, Li Zongwei: one year

Whether the accounting firm was replaced

Yes No

Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable

IX. Risk of delisting after the disclosure of the Annual Report

Applicable Not applicable

X. Matters related to bankruptcy reorganization

Applicable Not applicable

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

XI. Material litigation and arbitration

Applicable Not applicable

The Company had no material litigation and arbitration in the year.

XII. Punishment and remediation

Applicable Not applicable

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

XIII. Integrity of the Company and its controlling shareholders and de facto controller

Applicable Not applicable

XIV. Material related-party transactions

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

Applicable Not applicable

Related Parties	Related party relationship	Type of the connected transaction	Content of the connected transaction	Pricing principle of the connected transaction	Price of the connected transaction	Amount of related-party transactions (unit: RMB 10,000)	Proportion to the amount of similar transactions	Amount of transactions approved (unit: RMB 10,000)	Whether exceeded trade credit or not	Mode of Settlement	Market price of similar transactions available	Date of Disclosure	Disclosure Index
Hunan Chuwei Semiconductor Technology Co., Ltd	The Company holds 70% of shares in Hunan Jiechuwei, and Ms. Liang Qin, Chair of the Company, is the incumbent Chair and legal representative of Hunan Jiechuwei	Purchase of raw materials from related parties	Purchase of chip products	Fair	Market price	5,259.63	6.41%	5,259.63	No	Subject to contract	5,259.63	April 12, 2023	For details, see the <i>Announcement on the Confirmation of Routine Related Party Transactions</i> (Announcement No.: 2023-017) released by the Company on April 12, 2023, on www.cninfo.com.cn .
Total				--	--	5,259.63	--	5,259.63	--	--	--	--	--
Details of large-amount refunds for goods sold				N/A									
Actual performance (if any) during the Reporting Period if the aggregate amount is estimated by category in relation to the daily				N/A									

related-party transactions expected to occur during the Reporting Period	
Reasons for comparatively significant differences between the transaction price and the reference market price (if applicable)	N/A

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

Applicable Not applicable

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

3. Related-party transactions of joint external investment

Applicable Not applicable

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

4. Credits and liabilities with related parties

Applicable Not applicable

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

5. Business with related financial companies

Applicable Not applicable

There was no deposit business, loan business, credit business, or other financial businesses between the Company and the related financial companies as well as its related parties.

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

Applicable Not applicable

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

7. Other material related-party transactions

Applicable Not applicable

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

XV. Material contracts and the performance

1. Information on trusteeship, contracting, and leasing matters

(1) Information on trusteeship matters

Applicable Not applicable

The Company had no trusteeship matters in the Reporting Period.

(2) Information on contracting matters

Applicable Not applicable

The Company had no contracting matters in the Reporting Period.

(3) Information on leasing matters

Applicable Not applicable

The Company had no leasing matters in the Reporting Period.

2. Material guarantee business

Applicable Not applicable

No significant guarantees by the Company during the Reporting Period.

3. Entrust others to manage cash assets**(1) Entrusted financial management**

Applicable Not applicable

Overview of trust financial management during the Reporting Period

Unit: RMB'0,000

Specific type	Sources of funds for trust financial management	Amount of trust financial management incurred	Outstanding balance	Overdue outstanding amount	Impaired amount overdue for collection in financial management
Financial products of securities traders	Self-owned funds	3,000	1,000	0	0
Banking financial product	Self-owned funds	7,600	0	0	0
Total		10,600	1,000	0	0

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

Applicable Not applicable

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

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

The Company had no entrusted loans during the Reporting Period.

4. Other material contracts

Applicable Not applicable

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

XVI. Notes on Other Significant Events

Applicable Not applicable

1. On February 16, 2023, the Company held the 23rd Meeting of the Fourth Board of Directors to deliberate on and approve the *Proposal on Acquiring 30% Equity Interest in Hunan Chuwei Semiconductor Technology Co., Ltd. through Public Delisting*, and agreed that the Company could use its own funds to participate in the transfer of 30% equity interest in Hunan Chuwei through public delisting at the bottom price of RMB293.76 million. On February 23, 2023, the Company received the *Notice on Organizing Signing of Contract* from Hunan Exchange, confirming that the Company would be the transferee of 30% equity interest in Chuwei Semiconductor and the transaction price would be RMB293.76 million. On March 31, 2023, Chuwei Semiconductor completed the registration and filing procedures for the industrial and commercial changes in relation to this equity transfer. Upon completion of this equity transfer, the Company holds 70% of the equity in Chuwei Semiconductor, and Chuwei Semiconductor has become a controlling subsidiary of the Company and is included in the Company's consolidated financial statements. For details, see the relevant announcements published by the Company on www.cninfo.com.cn on February 18, February 28, and April 3, 2023, respectively.

2. In order to deeply engage in the international market, continuously optimize its global industrial layout, and strengthen its core competitiveness, the Company held the 25th Meeting of the Fourth Board of Directors on April 11, 2023 to deliberate and approve the *Proposal on Establishing a Subsidiary in Vietnam*, and agree that the Company could establish a subsidiary, Mico (Vietnam) Co., Ltd., in Vietnam (tentative name, subject to the approval of the local registration authority) with a planned investment amount of USD90 million. For details, see the *Announcement on Establishing a Subsidiary in Vietnam* (Announcement No.: 2023-018) published by the Company on www.cninfo.com.cn on April 12, 2023.

3. During the Reporting Period, the Company successfully completed the electoral and appointment processes for the fifth Board of Directors, the Supervisory Committee, and senior management personnel. Liang Qin, Liang Yao, Chen Runsheng, and Liu Congning were elected as non-independent directors of the Company's fifth Board of Directors. GUO QIANG, Liu Zhihong, and Yu Ping were elected as independent directors. Xu Ping and Zhao Zheng were elected as non-employee supervisors, and Hua Wei was elected by the employee representatives' assembly to form the fifth Supervisory Committee together. Liang Qin was elected as the Chairman of the fifth Board of Directors; Chen Runsheng was appointed as the President of the Company; Liu Congning, Xu Xiaobing, Shen Ying, Dai Juan, Wang Yulin, and Wang Jinxiong were appointed as Vice Presidents of the Company. Additionally, Fan Fengbin was appointed as the Chairman Assistant and Board Secretary, and Dai Juan was appointed as the Chief Financial Officer. For details, see the relevant announcements published by the Company on the designated information disclosure website for GEM by the China Securities Regulatory Commission on July 26 and July 28, 2023, respectively.

4. On July 31, 2023, the Company convened the second meeting of the fifth Board of Directors, during which the *Proposal on the Share Repurchase Plan* was approved. The Company plans to use its own funds to repurchase a portion of public shares through centralized bidding transactions, intended for stock incentive plans or employee stock ownership plans (hereinafter referred to as this "Repurchase"). The total amount allocated for this Repurchase will not be less than RMB50 million (inclusive) and not more than RMB100 million (inclusive), with a repurchase price not exceeding RMB58 per share (inclusive). Based on the maximum repurchase price of RMB58.00 per share, when the total repurchase funds are at the lower limit of RMB50 million, it is estimated that approximately 862,069 shares will be repurchased, representing 0.16% of the Company's current total share capital; when the total repurchase funds reach the upper limit of RMB100 million, it is estimated that approximately 1,724,137 shares will be repurchased, representing 0.32% of the Company's current total share capital. The repurchase shall be implemented within 12 months after the date of the approval of the shareholders' meeting. For details, see the *Proposal on the Share Repurchase Plan* disclosed by the Company on Cninfo (www.cninfo.com.cn).

XVII. Significant events of the Company's subsidiaries

Applicable Not applicable

1. In order to deeply engage in the international market, the Company established YJ Technology Japan Co., Ltd. (Yangjie Japan) in Japan. The registered capital of Yangjie Japan was JPY6 million, its business scope covers dispatching and consultancy services of technicians related to electronic components. Its registration was completed on March 13, 2023.

2. In order to further optimize its global industrial layout, the Company established Micro Commercial Components Singapore Pte. Ltd. (MCC Singapore) in Singapore. The registered capital of MCC Singapore was USD1 million. Its place of registration is 987 Serangoon Road, Singapore (328147). Its registration was completed on March 30, 2023.

3. Chuwei Semiconductor held a shareholders' meeting on March 3, 2023, to agree that Hunan Hi-tech Investment Group would transfer its 30% equity interest in Chuwei Semiconductor to Yangjie Technology, and agree that the members of the Board of Directors of Chuwei Semiconductor would be changed to Liang Qin, Dai Juan, Qiu Songjie, Yi Wenjie, and He Yi, and that the members of the Board of Supervisors would be changed to Liu Danfeng, Hua Wei, and Long Zhang. Chuwei Semiconductor completed the registration of the relevant industrial and commercial changes on March 31, 2023.

4. In order to deeply engage in the international market and further optimize its global industrial layout, the Company established MICRO COMMERCIAL COMPONENTS VIETNAM COMPANY LIMITED in Vietnam. The registered capital of MICRO COMMERCIAL COMPONENTS VIETNAM COMPANY LIMITED is VND41,922,000,000, with its registered address at Lot CN2-1 in Yen Phong II-C Industrial Zone, Tam Giang commune and Cho town, Yen Phong district, Bac Ninh Province, Vietnam. The Company completed its registration formalities on August 15, 2023.

5. On August 8, 2023, Chuwei Semiconductor held a shareholders' meeting and agreed to change the Company's name from Hunan Chuwei Semiconductor Technology Co., Ltd. to Hunan Jiechuwei Semiconductor Technology Co., Ltd. The related industrial and commercial registration changes were completed on August 17, 2023.

6. To meet the needs of its business development, J&V Semiconductor Co., Ltd. convened a shareholders' meeting and agreed to adjust the Company's business scope to include licensed projects: power generation, transmission, and distribution services (projects that must be approved according to law and can only be operated after approval from relevant authorities, with specific

business items subject to the approval results). General items include: manufacturing and sales of semiconductor discrete devices; manufacturing, wholesale, and retail of electronic components; sales of power electronic components; and import and export of goods (projects not requiring legal approval may be carried out autonomously according to the business license). J&V Semiconductor completed the industrial and commercial registration changes on August 22, 2023.

7. To enhance the business expansion capabilities of Yangzhou Jieguan Microelectronics Co., Ltd., Yangjie Technology signed a *Share Transfer Agreement* with Shanghai Hestia Power Inc., transferring 10% of its equity in Yangzhou Jieguan Microelectronics Co., Ltd. to Shanghai Hestia Power Inc. Yangzhou Jieguan Microelectronics Co., Ltd. completed its industrial and commercial registration changes on August 23, 2023.

8. To further expand its business, the Company established a Beijing branch of Yangzhou Yangjie Electronic Technology Co., Ltd. in Beijing. The business scope of the branch includes the manufacturing and sales of power electronic components (The enterprise shall conduct business activities according to its business license by law, besides projects that must be approved by law.) (The enterprise shall not engage in business activities that are prohibited and restricted by national and municipal industrial policies.). The business premises are located at Room 1915-3, Floor 19, Building 2, No. 1 Hangfeng Road, Fengtai District, Beijing (Elevator access via Room 2217). Yangjie Technology's Beijing branch completed its business registration on September 21, 2023.

9. As decided by the Company, Shanghai Paiqi Microelectronics Co., Ltd. was renamed Shanghai Xinyangjie Electronics Co., Ltd., which completed its industrial and commercial registration changes on September 21, 2023.

10. Due to strategic development needs, the shareholders of Yangzhou Jiemei Semiconductor Co., Ltd. decided to reduce the registered capital from USD10 million to USD3 million. Yangzhou Jiemei Semiconductor Co., Ltd. completed its industrial and commercial registration on November 28, 2023.

11. Jiangsu Yangjie Runao Semiconductor Co., Ltd. held a shareholders' meeting and agreed that 22 shareholders, including Gao Zhancheng, would transfer all their shares in Jiangsu Yangjie Runao Semiconductor to Jiangsu Yangjie Semiconductor Co., Ltd., and completed the industrial and commercial registration changes on November 6, 2023. On November 24, 2023, Jiangsu Yangjie Runao Semiconductor Co., Ltd. held a shareholders' meeting and decided to remove Liu Congning, Gao Zhancheng, and Xu Aimin from the Board of Directors and appointed Xu Aimin as the Executive Director, completing the industrial and commercial registration that day.

12. To meet operational development needs, the Company decided to dissolve its subsidiary, Yangzhou Jaywin Auto Chip Co., Ltd., and completed the business deregistration on November 24, 2023.

13. Sichuan Yajixin Electronic Technology Co., Ltd. convened a board meeting on November 21, 2023, where it removed Wu Yong from the position of company manager and appointed Yang Jiao as the new manager. The Company completed its industrial and commercial registration on December 12, 2023.

Section VII Share Changes and Shareholder Status

I. Movement in share capital

1. Share changes

Unit: share

	Before the change		Increase/decrease during the period (+/-)					After the change	
	Number	Proportion	New shares issued	Bonus shares	Provident fund from profit	Others	Subtotal	Number	Proportion
I. Shares subject to trading moratorium	1,050,302	0.20%	0	0	0	5,250	5,250	1,055,552	0.19%
1. State-held shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by a state-owned legal person	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic shares	1,050,302	0.20%	0	0	0	5,250	5,250	1,055,552	0.19%
Including: shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
shares held by domestic natural persons	1,050,302	0.20%	0	0	0	5,250	5,250	1,055,552	0.19%
4. Foreign-held shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: shares	0	0.00%	0	0	0	0	0	0	0.00%

held by overseas legal person									
Shares held by overseas natural person	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares not subject to trading moratorium	511,722,485	99.80%	28,679,000	0	0	-5,250	28,673,750	540,396,235	99.81%
1. RMB ordinary shares	511,722,485	99.80%	28,679,000	0	0	-5,250	28,673,750	540,396,235	99.81%
2. Domestically listed foreign-invested shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign-invested shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	512,772,787	100.00%	28,679,000	0	0	0	28,679,000	541,451,787	100.00%

Reason for share changes

Applicable Not applicable

By virtue of the Reply on the *Approval of the Initial Public Offering of Global Depositary Receipts and Listing on the SIX Swiss Exchange by Yangzhou Yangjie Electronic Technology Co., Ltd.* (ZH.J.X.K. [2023] No. 606) from the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") and upon approval of SIX Exchange Regulation AG, the Company issued and listed 14,339,500 GDRs on the SIX Swiss Exchange in April 2023. Each GDR represented two A shares of the Company. The corresponding number of new basic A-shares was 28,679,000, which were listed on the Shenzhen Stock Exchange on April 18, 2023. Upon completion of the issue, the total share capital of the Company increased from 512,772,787 shares to 541,451,787 shares.

On July 26, 2023, the Company held its first Extraordinary Shareholders' Meeting of the year, where it reviewed and passed resolutions related to the election of the Board of Directors and Supervisory Committee due to the expiration of terms. Mr. Zhou Liming and Ms. Xu Jingjing no longer hold the position of President Assistant. According to the *GEM Stock Listing Rules of Shenzhen Stock Exchange, Several Provisions on Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management Personnel of Listed Companies, Implementation Rules of Shenzhen Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management Personnel of Listed Companies* and other relevant legal, regulatory, and normative documents as well as their respective commitments, the management of such matters will proceed. Mr. Zhou Liming and Ms. Xu Jingjing will not transfer any company shares they hold for six months following the announcement of their resignation, and an additional 5,250 restricted shares for senior management have been allocated.

Authorization for share changes

Applicable Not applicable

(1) The internal decision-making process for this issue

a) On October 26, 2022, the Company held the 21st Meeting of the Fourth Board of Directors to deliberate on and approve relevant proposals, such as the *Proposal for the Offering of GDRs by the Company, Its Listing on the SIX Swiss Exchange, and Its Conversion into a Limited Company by Shares Raising Funds Abroad and the Proposal for the Program for the Offering of GDRs by the Company and Its Listing on the SIX Swiss Exchange*.

b) On November 18, 2022, the Company held the Second Extraordinary Shareholders' Meeting of 2022 to deliberate on and approve relevant proposals, such as the *Proposal for the Offering of GDRs by the Company, Its Listing on the SIX Swiss Exchange, and Its Conversion into a Limited Company by Shares Raising Funds Abroad and the Proposal for the Program for the Offering of GDRs by the Company and Its Listing on the SIX Swiss Exchange*.

(2) External approval procedure for the issue

a) The Company has obtained the approval of the CSRC in respect of the issue. For details, see the *Announcement on Obtaining the Approval of the China Securities Regulatory Commission (CSRC) for the Offering of GDRs and Its Listing on the SIX Swiss Exchange* (Announcement No.: 2023-012) disclosed by the Company on March 22, 2023.

2) The Company has obtained the approval of SIX Exchange Regulation AG for the issue, and the approval of the Prospectus Office of SIX Exchange Regulation AG for the prospectus. For details, see the *Announcement on the Conditional Approval of the Offering of GDRs and Its Listing on the SIX Swiss Exchange by SIX Exchange Regulation AG* (Announcement No.: 2023-002) disclosed by the Company on designated media on January 30, 2023, as well as the *Announcement on the Approval of the Prospectus Office of SIX Exchange Regulation AG for the Determination of the Price Range and Prospectus of GDRs to Be Issued* (Announcement No.: 2023-020) disclosed by the Company on designated media on April 12, 2023.

Transfer of changed shares

Applicable Not applicable

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

Applicable Not applicable

Item	During the Reporting Period		2022	
	Before the share change	After the share change	Before the share change	After the share change
Basic earnings per share (RMB/share)	1.80	1.74	2.07	2.07
Diluted earnings per share (RMB/share)	1.80	1.74	2.07	2.07
Item	During the Reporting Period		December 31, 2022	
	Before the share change	After the share change	Before the share change	After the share change
Net assets per share attributable to the listed company (RMB)	13.1657	15.1864	11.9708	12.0003

Other disclosable contents that the Company deemed necessary or were required by securities regulatory authorities

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

Unit: share

Name of shareholder	Number of Restricted Shares at the Beginning of the Reporting Period	Number of New Restricted Shares in the Reporting Period	Number of Shares Lifted from Restrictions in the Reporting Period	Number of Restricted Shares at the End of the Reporting Period	Reasons for restriction on sales	Date of being released from restriction
Xu Jingjing	7,500	2,500	0	10,000	Locked shares of departed directors, supervisors, and senior management	January 27, 2024

Zhou Liming	8,250	2,750	0	11,000	Locked shares of departed directors, supervisors, and senior management	January 27, 2024
Total	15,750	5,250	0	21,000	--	--

II. Issuance and listing of securities

1. Securities issuance (excluding preferred shares) during the Reporting Period

Applicable Not applicable

Name of the stock and its derivative securities	Issue date	Issue price (or interest rate)	Number of shares issued	IPO date	Number of shares approved for trading on the market	Final trading date	Disclosure Index	Date of Disclosure
Shares								
Global Depository Receipt	April 12, 2023	USD7.5/share	28,679,000	April 18, 2023	28,679,000		For details, see the <i>Announcement of Yangzhou Yangjie Electronic Technology Co., Ltd. on the Offering of GDRs and Its Listing on the SIX Swiss Exchange</i> (Announcement No.: 2023-026) published by the Company on	April 19, 2023

							www.cninfo.com.cn on April 19, 2023.	
Convertible corporate bonds, separately tradable convertible corporate bonds, corporate debt securities								
Other derivative securities								

Circular of securities issuance (excluding preferred shares) during the Reporting Period

For details, see "1. Share changes" in "I. Share Changes" in this chapter.

2. Changes in the total number of shares and shareholder structure as well as changes in the Company's asset and liability structure

Applicable Not applicable

By virtue of the Reply on the *Approval of the Initial Public Offering of Global Depositary Receipts and Listing on the SIX Swiss Exchange by Yangzhou Yangjie Electronic Technology Co., Ltd.* (ZH.J.X.K. [2023] No. 606) from the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") and upon approval of SIX Exchange Regulation AG, the Company issued and listed 14,339,500 GDRs on the SIX Swiss Exchange in April 2023. Each GDR represented two A shares of the Company. The corresponding number of new basic A-shares was 28,679,000, which were listed on the Shenzhen Stock Exchange on April 18, 2023. Upon completion of the issue, the total share capital of the Company increased from 512,772,787 shares to 541,451,787 shares.

3. Existing internal employee shares

Applicable Not applicable

III. Shareholders and De Facto Controller

1. Number of the Company's shareholders and their shareholdings

Unit: share

The total number of ordinary shareholders of the Company as at the end of the Reporting Period	57,444	The total number of ordinary shareholders of the Company as at the end of the month before disclosure of the annual report	58,428	Total number of preferred shareholders with restored voting rights at the end of the Reporting Period (if any) (see Note 9)	0	Total number of preferred shareholders with restored voting rights as at the end of the month before the annual report date (if any)	0	Total number of shareholders holding special voting shares (if any)	0
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							(see Note 9)		
Shareholdings by shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)									
Name of shareholder	Nature of shareholder	Percent age of shareholding (%)	Number of shares held as at the end of the Reporting Period	Increase/decrease during the Reporting Period	Number of ordinary shares held subject to trading moratorium	Number of shares held not subject to trading moratorium	Shares pledged, marked, or frozen		
							Status of shares	Number	
Jiangsu Yangjie Investment Co., Ltd.	Domestic non-state-owned legal person	36.23%	196,151,100.00	0.00	0	196,151,100.00	Pledged	5,250,000.00	
Jianshui County Jiejie Enterprise Management Co., Ltd.	Domestic non-state-owned legal person	11.77%	63,723,520.00	0.00	0	63,723,520.00	N/A	0	
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.43%	7,733,533.00	-18743544.00	0	7,733,533.00	N/A	0	
Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipm	Others	0.99%	5,343,044.00	2906094.00	0	5,343,044.00	N/A	0	

ent Exchan ge Traded Fund								
Agricul tural Bank of China Limited - Guotai Smart Car Equity Investm ent Fund	Others	0.98%	5,290,4 31.00	- 127810 6.00	0	5,290,4 31.00	N/A	0
Bank of China Limited -Guotai CES Semico nductor Chip Industr y Exchan ge Traded Fund (ETF)	Others	0.74%	4,029,0 31.00	183660 0.00	0	4,029,0 31.00	N/A	0
Industri al and Comme rcial Bank of China Limited -E Fund Growth Enterpri se Market (GEM) Exchan ge Traded Fund (ETF)	Others	0.70%	3,810,4 62.00	252515 7.00	0	3,810,4 62.00	N/A	0
Wang Yan	Domest ic natural	0.70%	3,766,0 00.00	- 123710	0	3,766,0 00.00	N/A	0

	person			0.00				
Dajia Life Insurance Co., Ltd. - Multi-Purpose Product	Others	0.51%	2,783,662.00	- 1702327.00	0	2,783,662.00	N/A	0
Bank of Communications Co., Ltd. - Huifeng Jinxin Large Cap Equity Securities Investment Fund	Others	0.49%	2,669,932.00	2669932.00	0	2,669,932.00	N/A	0
A strategic investor or ordinary legal person becomes the top 10 shareholders due to rights issue (if any) (see Note 4)							Not applicable.	
Explanations on the connected relationship or concerted action among the shareholders mentioned above							1. Ms. Liang Qin is the de facto controller of both Jiangsu Yangjie Investment Co., Ltd. and Jianshui County Jiejie Enterprise Management Co., Ltd., and is a person acting in concert; 2. Ms. Wang Yan is the sister of Ms. Liang Qin's spouse; 3. Apart from the above, the Company is not aware of any connected relationship among other shareholders or whether they are parties acting in concert as stipulated in the <i>Administrative Measures on Acquisition of Listed Companies</i> .	
Description of the above shareholders involved in proxy/trustee voting rights and waiver of voting rights							N/A	
Special explanation on whether the top 10 shareholders have special accounts of							N/A	

repurchase (if any) (see Note 10)				
Top 10 shareholders of shares not subject to trading moratorium				
Name of shareholder	Number of shares not subject to selling restrictions held at the end of the Reporting Period	Type of shares		
		Type of shares	Number	
Jiangsu Yangjie Investment Co., Ltd.	196,151,100.00	RMB shares	ordinary	196,151,100.00
Jianshui County Jiejie Enterprise Management Co., Ltd.	63,723,520.00	RMB shares	ordinary	63,723,520.00
Hong Kong Securities Clearing Company Ltd.	7,733,533.00	RMB shares	ordinary	7,733,533.00
Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund	5,343,044.00	RMB shares	ordinary	5,343,044.00
Agricultural Bank of China Limited - Guotai Smart Car Equity Investment Fund	5,290,431.00	RMB shares	ordinary	5,290,431.00
Bank of China Limited-Guotai CES Semiconductor Chip Industry Exchange Traded Fund (ETF)	4,029,031.00	RMB shares	ordinary	4,029,031.00
Industrial and Commercial Bank of China Limited-E Fund Growth Enterprise Market (GEM) Exchange Traded Fund (ETF)	3,810,462.00	RMB shares	ordinary	3,810,462.00

Wang Yan	3,766,000.00	RMB shares	ordinary	3,766,000.00
Dajia Life Insurance Co., Ltd. - Multi-Purpose Product	2,783,662.00	RMB shares	ordinary	2,783,662.00
Bank of Communications Co., Ltd. - Huifeng Jinxin Large Cap Equity Securities Investment Fund	2,669,932.00	RMB shares	ordinary	2,669,932.00
Explanation on the affiliation or concerted action among the top 10 shareholders of floating stocks not subject to selling restrictions, and among these shareholders and the top 10 shareholders	Ditto			
Participation in margin trading and securities lending (if any) (see note 5)	Not applicable.			

Details of shareholdings of the top ten Shareholders lent through refinancing

Applicable Not applicable

Unit: share

Details of shareholdings of the top ten shareholders lent through refinancing								
Name of shareholder (full name)	Shareholding in ordinary and credit accounts at the beginning of the Period		Lent out securities at the beginning of the Period but not yet returned		Shareholding in ordinary and credit accounts at the end of the Period		Lent out securities at the end of the Period but not yet returned	
	Total	Proportion in total share capita	Total	Proportion in total share capita	Total	Proportion in total share capita	Total	Proportion in total share capita
Guotai Junan	2,436,950	0.45%	753,000	0.14%	5,343,044.00	0.99%	173,800	0.03%

Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund								
Bank of China Limited-Guotai CES Semiconductor Chip Industry Exchange Traded Fund (ETF)	2,192,431	0.40%	550,400	0.10%	4,029,031.00	0.74%	141,700	0.03%
Industrial and Commercial Bank of China Limited-E Fund Growth Enterprise Market (GEM) Exchange Traded Fund (ETF)	1,285,305	0.24%	421,500	0.08%	3,810,462.00	0.70%	467,400	0.09%

Changes in the top ten Shareholders compared with the previous period

Applicable Not applicable

Unit: share

Changes in the top ten Shareholders compared with the previous period			
Name of shareholder	New entries/exits	Quantity of lent out securities at the end of the Period but not yet	Total shares held in ordinary accounts, credit accounts, and lent

(full name)	during the Reporting Period	returned		out securities not yet returned at the end of the Period	
		Total	Proportion in total share capita	Total	Proportion in total share capita
Guotai Junan Securities Co., Ltd. - CPIC CSI Industry Top Index Semiconductor Product and Equipment Exchange Traded Fund	New	173,800	0.03%	5,516,844	1.02%
Bank of China Limited-Guotai CES Semiconductor Chip Industry Exchange Traded Fund (ETF)	New	141,700	0.03%	4,170,731	0.77%
Industrial and Commercial Bank of China Limited-E Fund Growth Enterprise Market (GEM) Exchange Traded Fund (ETF)	New	467,400	0.09%	4,277,862	0.79%
Bank of Communications Co., Ltd. - Huifeng Jinxin Large Cap Equity Securities Investment Fund	New	0	0.00%	2,669,932.00	0.49%

China Construction Bank Corporation - ChinaAMC Semiconductor Chip Trading Open-ended Index Fund	Phase-out	0	0.00%	0	0.00%
Huaxia Life Insurance Co., Ltd. - Own Funds	Phase-out	0	0.00%	944,033	0.17%
Industrial and Commercial Bank of China Limited - Guangfa Multi-factor Flexible Allocation Hybrid Securities Investment Fund	Phase-out	0	0.00%	0	0.00%
Bank of China Limited - Guotai Intelligent Equipment Equity Investment Fund	Phase-out	0	0.00%	2,386,527.00	0.44%

Whether the Company has a differential voting rights arrangement

Applicable Not applicable

Have the Company's top 10 ordinary shareholders, and top 10 ordinary shareholders not subject to trading moratorium, conducted agreed repurchase transactions during the Reporting Period?

Yes No

The top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares not subject to trading moratorium of the Company did not make any agreed repurchase transactions during the Reporting Period.

2. Company's controlling shareholder

Nature of the controlling shareholder: Natural person

Type of the controlling shareholder: Legal person

Name of	Legal	Date of	Organization	Principal scope
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Controlling Shareholder	representative/head of organization	establishment	code	of operation
Jiangsu Yangjie Investment Co., Ltd.	Liang Qin	March 15, 2000	91321091718662003Y	Industrial investment; proprietary investment management; investment consulting; proprietary and agency import and export of various commodities and technologies (excluding commodities and technologies that are restricted or prohibited by the government). (for projects subject to approval according to laws, business activities may only be carried out after obtaining approval from relevant authorities).
Shares of other domestic/overseas listed companies controlled or held by the controlling shareholders during the Reporting Period	N/A			

Changes of controlling shareholders in the Reporting Period

Applicable Not applicable

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

3.De facto Controller of the Company and the persons acting in concert

Nature of the actual controller: Domestic natural person

Type of de facto Controller: Natural person

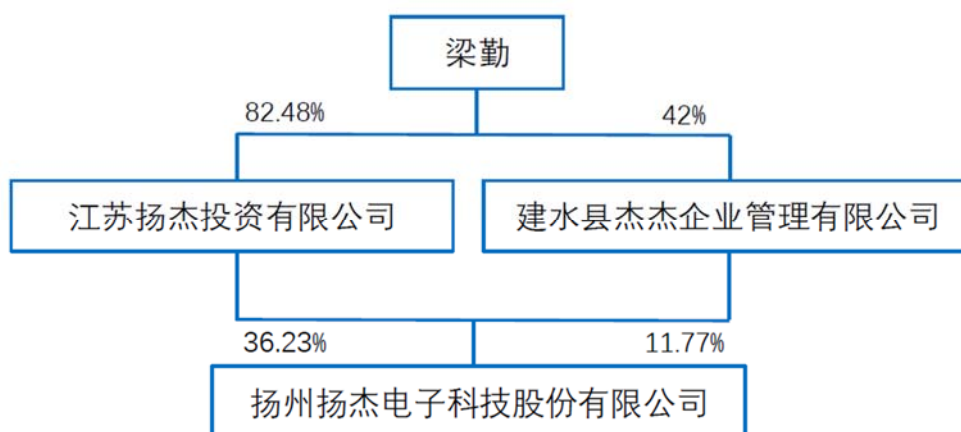
Name of de facto controller	Relationship with de facto Controller	Nationality	Has he/she obtained the right of residence in other countries or regions
Liang Qin	Same person	China	No
Main occupations and positions	Currently, she serves as the Chairman of Jiangsu Yangjie Investment Co., Ltd., Executive Director of Jianshui County Jiejie Enterprise Management Co., Ltd., Chairman of Yangzhou Yangjie Electronic Technology Co., Ltd., Director and General Manager of J&V Semiconductor Co., Ltd., Executive Director and General Manager of Jiangsu Yangjie Semiconductor Co., Ltd., Director of MCC Semiconductor HK Co., Ltd., Chairman of Micro Commercial Components Corporation, Director of Caswell Industries Limited, Board Member of Yangjie Electronic Korea Co., Ltd., Executive Director of Hangzhou E-Giant Semiconductor Technology Co., Ltd., Director of Chengdu Qingyang Electronic Material Co., Ltd., Director of Yixing Jiexin Semiconductor Co., Ltd., Director of Shanghai Lingxin Semiconductor Technology Co., Ltd., Director of Wuxi Lingxin Semiconductor Technology Co., Ltd., Director of Sichuan Yajixin Electronic Technology Co., Ltd., Chairman of Hunan Chuwei Semiconductor Technology Co., Ltd., Chairman of Yangzhou Jieguan Microelectronics Co., Ltd., Director of MCC SINGAPORE PTE. LTD., and Independent Director of Yadea Group Holdings Ltd.		
Domestic and overseas listed companies in which he/she had a controlling interest during the past 10 years	Not applicable		

Changes of de facto Controller of the Company in the Reporting Period

Applicable Not applicable

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

Diagram of the property rights and control relationship between the Company and de facto Controller



The control of the Company by de facto Controller through trust or other asset management methods

Applicable Not applicable

4. Total amount of pledged shares of the Company's controlling shareholders or the major shareholder and the persons acting in concert accounting for 80% of the amount of the Company's shares held by it

Applicable Not applicable

5. Other institutional shareholders holding more than 10% of shares

Applicable Not applicable

Name of legal representative shareholder	Legal representative/head of organization	Date of establishment	Registered capital	Main business operation or management activities
Jianshui County Jiejie Enterprise Management Co., Ltd.	Liang Qin	December 23, 2010	RMB8 million	Business management consulting, cultural and creative planning consulting (Business activities that require approval in accordance with laws can be carried out upon approval of relevant authorities)

6. Restrictions on shareholding reduction by controlling shareholders, actual controllers, restructuring parties and other committed entities

Applicable Not applicable

IV. Implementation of the Share Repurchase during the Reporting Period

Progress on the implementation of the share repurchase

Applicable Not applicable

Date of disclosing the plan	Shares to be repurchased (shares)	Proportion in total share capita	Amount of repurchase (RMB'0,000)	Repurchase period	Purpose	Shares repurchased (shares)	Proportion of shares repurchased to underlying shares under the share incentive plan (if any)
August 1, 2023	862,069 shares - 1,724,137 shares	0.16%-0.32%	A minimum of RMB50 million and no more than RMB100 million	up to 12 months from the date the Company's shareholders' meeting approves the share buyback plan	Allocated for the implementation of the employee share ownership plan or stock incentive plan	1,668,500	-

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

Applicable Not applicable

Section VIII Relevant Information about Preferred Shares

Applicable Not applicable

In the Reporting Period, the Company had no preferred shares.

Section IX Relevant Information about Bonds

Applicable Not applicable

Section X Financial Statements

I. Auditor's Report

The type of audit opinion	Standard unreserved opinion
Signing date of the Auditor's Report	April 18, 2023
The name of the audit institution	Pan-China Certified Public Accountant LLP
Document No. of the Auditor's Report	T.J.S. [2024] No.2980
Name of the Certified Public Accountant	Ni Guojun and Li Zongwei

Main body of the Auditor's Report

Auditor's Report

T.J.S. [2024] No.2980

To the Shareholders of Yangzhou Yangjie Electronic Technology Co., Ltd.:

I. Audit Opinion

We have audited the accompanying financial statements of Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2023, the consolidated and parent company income statements for 2023, the consolidated and parent company cash flow statements, and the consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the attached financial statements have been prepared in accordance with China Accounting Standards for Business Enterprises, and present fairly, in all material respects, the consolidated and parent company financial position of the Company as at December 31, 2023, and of its financial performance and cash flows for 2023.

II. Basis for Audit Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the Financial Statements section of our auditor's report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

i. Revenue recognition

1. Description of key audit matters

Please refer to Note III xxii. and V ii. 1 of notes to the financial statements for details.

The operating revenue of the Company is mainly from the R&D, production and sales of semiconductor components, semiconductor chips, and semiconductor silicon wafers. In 2023, the operating revenue presented in the financial statements amounted to RMB5,409,835,000.

As operating revenue is one of the key performance indicators of the Company, there might be inherent risks that the Company's Management (the "Management") adopts inappropriate revenue recognition to achieve specific goals or expectations, we have identified revenue recognition as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for revenue recognition are as follows:

- (1) We obtained understandings of key internal controls related to revenue recognition, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;
- (2) We checked sale contracts, obtained understandings of main contractual terms or conditions, and assessed whether the revenue recognition method was appropriate;
- (3) We performed analysis procedure on operating revenue and gross margin by month, product, customer, etc., so as to identify whether there are significant or abnormal fluctuations and find out the reason for fluctuations;
- (4) For revenue from domestic sales, we selected and checked related supporting documents for projects, including sales contracts, orders, sales invoices, outbound delivery orders, transport documents, statements of account, etc.; for revenue from overseas sales, we obtained information from Electron Port and checked it with accounting records, and checked supporting documents including sales contracts, bills of clearance, bill of lading, and sales invoices by sampling method;
- (5) We performed confirmation procedures on sales amount by selecting projects in combination with confirmation procedure of accounts receivable;
- (6) We performed cut-off tests, and inspected whether the operating revenue was recognized in the appropriate period; and
- (7) We checked whether information related to operating revenue had been presented appropriately in the financial statements.

(ii) Impairment of accounts receivable

Please refer to section III (XI) and V (I) 4 of notes to the financial statements for details.

As at December 31, 2023, the carrying amount of accounts receivable amounted to RMB1,597,171,600, with provision for bad debts of RMB81,592,100, and the carrying amount amounted to RMB1,515,579,500.

Based on credit risk features of accounts receivable, the Management measures the provision for bad debts at the amount of lifetime expected credit losses, either on an individual basis or on a collective basis. As the amount of accounts receivable is significant and the corresponding impairment involves significant judgment of the Management, we have identified impairment of accounts receivable as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for impairment of accounts receivable are as follows:

- (1) We obtained understandings of key internal controls related to impairment of accounts receivable, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of their operation;
- (2) We reviewed the results of the estimates made by the management regarding bad debt provisions in previous years or subsequent re-estimates made by the management;
- (3) We reviewed the consideration of the Management on credit risk assessment and objective evidence, and assessed whether the credit risk features of accounts receivable had been appropriately identified by the Management;
- (4) For accounts receivable with expected credit losses measured on an individual basis, we reviewed the Management's estimations on the expected future cash flows, assessed the appropriateness of significant assumptions adopted in the estimation, and appropriateness, relevance and reliability of the data, and checked them with acquired external evidence;
- (5) For accounts receivable with expected credit losses measured on a collective basis, we assessed the reasonableness of portfolio classification on the basis of credit risk features; we assessed the reasonableness of the expected credit loss rate of accounts receivable determined by the Management, including the appropriateness of the significant assumptions adopted and the appropriateness, relevance and reliability of the data; we tested whether the calculation of provision for bad debts was accurate;
- (6) We assessed the reasonableness of provision for bad debts made by the Management in combination with confirmation procedure of accounts receivable and the subsequent collection; and
- (7) We checked whether information related to impairment of accounts receivable had been presented appropriately in the financial statements.

IV. Other Information

The Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our audit opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises, as well as designing, implementing and maintaining essential internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Company (hereinafter referred to as the "Governance") are responsible for overseeing the Company's financial statement process.

VI. Certified Public Accountant's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditing Standards for Certified Public Accountants of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercised professional judgment and maintained professional skepticism throughout the audit performed in accordance with Auditing Standards for Certified Public Accountants of China. We also:

- i. Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- iv. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the Auditing Standards for Certified Public Accountants of China to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the relevant transactions and events in a manner that achieves fair presentation.

vi. Obtain adequate and appropriate audit evidence for the financial information in the entity or business activities of the Company to express our audit opinions on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain sole responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned audit scope, time schedule and significant audit findings, including any deficiencies in internal control of concern that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits from such communication.

Pan-China Certified Public Accountant (LLP)

Hangzhou, China

Chinese Certified Public Accountant: Ni Guojun
(Engagement Partner)

Chinese Certified Public Accountant: Li Zongwei

April 18, 2024

II. Financial Statement

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

1. Consolidated balance sheet

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

December 31, 2023

Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Monetary assets	3,518,238,062.56	1,457,284,129.97
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	41,785,067.71	63,200,000.00
Derivative financial assets		
Notes receivable	12,863,153.42	13,066,108.69
Accounts receivable	1,515,579,463.24	1,208,174,469.34
Receivables financing	217,717,753.23	231,592,339.12
Advances paid	59,693,121.73	116,807,347.04
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	12,420,738.13	22,043,111.30
Including: Interest receivable		
Dividend receivable		
Financial assets under reverse repo		
Inventories	1,145,317,621.74	1,213,168,285.70

Contract assets	1,609,591.36	
Assets held for sale		
Non-current assets due within one year		
Other current assets	33,323,514.88	135,165,283.82
Total current assets	6,558,548,088.00	4,460,501,074.98
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	62,372,039.75	466,606,774.74
Other equity instrument investments		
Other non-current financial assets	649,575,265.88	442,446,494.05
Investment property		
Fixed assets	3,480,422,021.32	2,914,129,006.48
Construction in progress	720,260,135.67	461,878,389.19
Productive biological assets		
Oil & gas assets		
Right-of-use assets	117,816,524.02	7,434,752.94
Intangible assets	211,533,873.67	129,755,445.13
Development expenditures		
Goodwill	313,851,069.78	163,664,335.43

Long-term prepayments	117,867,540.00	98,598,854.20
Deferred tax assets	14,231,497.36	8,669,141.34
Other non-current assets	380,445,695.65	329,554,214.72
Total non-current assets	6,068,375,663.10	5,022,737,408.22
Total assets	12,626,923,751.10	9,483,238,483.20
Current liabilities:		
Short-term borrowings	553,968,908.45	273,121,541.00
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	239,394,631.11	404,866,538.45
Accounts payable	1,188,088,881.20	1,045,387,673.40
Advances received		
Contract liabilities	35,088,567.84	37,431,854.37
Financial assets under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	164,603,775.02	144,438,351.00
Taxes and rates payable	27,147,354.55	21,829,634.84

Other payables	50,397,974.95	32,643,884.26
Including: Interest payable		
Dividends payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	445,321,187.64	102,412,112.30
Other current liabilities	3,594,982.83	2,394,362.02
Total current liabilities	2,707,606,263.59	2,064,525,951.64
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	395,095,778.15	400,283,333.33
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	101,217,303.95	4,863,114.56
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	184,130,467.60	159,516,602.26
Deferred tax liabilities	232,867,475.88	196,749,468.57
Other non-current liabilities	319,316,563.00	319,316,563.00

Total non-current liabilities	1,232,627,588.58	1,080,729,081.72
Total liabilities	3,940,233,852.17	3,145,255,033.36
Owners' equity:		
Share capital	543,014,987.00	512,772,787.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,059,355,866.45	2,584,590,243.74
Less: Treasury shares	59,962,257.01	
Other comprehensive income	22,961,850.71	28,166,283.84
Special reserve		
Surplus reserve	271,507,493.50	256,386,393.50
General risk reserve		
Undistributed profit	3,409,569,241.07	2,771,489,902.27
Total equity attributable to the owners of the parent company	8,246,447,181.72	6,153,405,610.35
Non-controlling interest	440,242,717.21	184,577,839.49
Total owners' equity	8,686,689,898.93	6,337,983,449.84
Total liabilities and owners' equity	12,626,923,751.10	9,483,238,483.20

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

2. Parent company balance sheet

Unit: RMB

Item	December 31, 2023	January 1, 2023
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Current assets:		
Monetary assets	1,868,469,130.60	1,215,581,607.13
Held-for-trading financial assets	10,000,000.00	60,000,000.00
Derivative financial assets		
Notes receivable	9,055,604.71	12,257,571.46
Accounts receivable	1,493,056,910.06	947,279,745.53
Receivables financing	71,704,696.46	179,001,017.43
Advances paid	51,431,694.03	111,224,366.27
Other receivables	68,359,486.42	180,771,875.41
Including: Interest receivable		
Dividend receivable		
Inventories	844,052,546.30	903,392,615.86
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	10,065,304.87	108,385,939.51
Total current assets	4,426,195,373.45	3,717,894,738.60
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,274,823,333.90	928,639,042.63

Other equity instrument investments		
Other non-current financial assets	649,575,265.88	442,446,494.05
Investment property		
Fixed assets	2,048,021,726.13	2,192,889,927.06
Construction in progress	87,751,953.14	167,284,351.89
Productive biological assets		
Oil & gas assets		
Right-of-use assets		
Intangible assets	57,703,582.89	60,378,181.76
Development expenditures		
Goodwill		
Long-term prepayments	61,490,472.32	63,061,237.28
Deferred tax assets	32,203.53	
Other non-current assets	320,484,793.00	322,610,460.08
Total non-current assets	5,499,883,330.79	4,177,309,694.75
Total assets	9,926,078,704.24	7,895,204,433.35
Current liabilities:		
Short-term borrowings	200,130,136.99	155,980,547.95
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	242,603,698.75	406,448,397.73
Accounts payable	999,302,173.41	820,043,403.97

Advances received		
Contract liabilities	64,756,055.77	135,278,305.49
Employee benefits payable	98,938,839.28	88,621,275.40
Taxes and rates payable	11,505,025.04	6,120,435.91
Other payables	28,000,538.94	21,915,942.22
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	400,131,506.85	100,075,000.00
Other current liabilities	8,075,363.26	16,358,763.54
Total current liabilities	2,053,443,338.29	1,750,842,072.21
Non-current liabilities:		
Long-term borrowings	200,279,452.05	400,283,333.33
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	119,412,184.09	95,301,491.53
Deferred tax liabilities	149,648,694.68	129,637,539.89

Other non-current liabilities	319,316,563.00	319,316,563.00
Total non-current liabilities	788,656,893.82	944,538,927.75
Total liabilities	2,842,100,232.11	2,695,380,999.96
Owners' equity:		
Share capital	543,014,987.00	512,772,787.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,062,479,921.40	2,585,027,502.86
Less: Treasury shares	59,962,257.01	
Other comprehensive income		
Special reserve		
Surplus reserve	271,507,493.50	256,386,393.50
Undistributed profit	2,266,938,327.24	1,845,636,750.03
Total owners' equity	7,083,978,472.13	5,199,823,433.39
Total liabilities and owners' equity	9,926,078,704.24	7,895,204,433.35

3. Consolidated income statement

Unit: RMB

Item	2023	2022
I. Total Operating Revenue	5,409,834,952.38	5,403,532,033.34
Including: Operating revenue	5,409,834,952.38	5,403,532,033.34
Interest income		
Premiums earned		

Revenue from handling fees and commission		
II. Total Operating Cost	4,587,462,189.04	4,182,442,361.90
Including: Operating cost	3,772,594,066.88	3,442,357,413.34
Interest expenditures		
Handling fees and commission expenditures		
Surrender value		
Net payment of insurance claims		
Net provision of the insurance policy reserve		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	39,474,812.99	15,948,045.57
Selling expenses	208,068,891.13	170,909,875.62
Administrative expenses	333,052,395.47	271,211,732.65
R&D expenses	355,851,029.26	292,703,879.98
Financial expenses	-121,579,006.69	-10,688,585.26
Including: Interest expenses	35,507,759.70	17,218,568.42
Interest income	103,196,914.52	19,269,161.96
Add: Other income	73,840,680.57	31,810,357.80
Investment income (losses are expressed with "-")	50,643,422.93	17,119,440.88
Including: Investment income from associates and joint ventures	-3,038,752.59	-11,557,515.50

Gains from derecognition of financial assets at amortized cost		
Gains on foreign exchange (losses are expressed with "-")		
Net exposure hedging gains (losses are expressed with "-")		
Gains from changes in fair value (losses are expressed with "-")	185,923,823.82	41,998,582.84
Credit impairment loss (losses are expressed with "-")	-19,013,082.49	-4,204,020.11
Assets impairment loss (losses are expressed with "-")	-61,171,819.94	-45,648,592.05
Gains on asset disposal (losses are expressed with "-")	1,492,354.95	336,233.31
III. Operating Profit (Losses are Expressed with "-")	1,054,088,143.18	1,262,501,674.11
Add: Non-operating revenue	6,000,188.68	5,659,649.73
Less: Non-operating expenditures	18,732,039.70	17,694,359.26
IV. Total Profit (Total Losses are Expressed with "-")	1,041,356,292.16	1,250,466,964.58
Less: Income tax	119,801,339.23	156,761,745.13
V. Net Profit (Net Losses are Expressed with "-")	921,554,952.93	1,093,705,219.45
i. Classified by operation continuity		
1. Net profit from continuing operations (net losses are expressed with "-")	921,554,952.93	1,093,705,219.45
2. Net profit from		

discontinuing operations (net losses are expressed with "-")		
ii. Categorized by ownership		
1. Net profit attributable to shareholders of the parent company	923,926,332.30	1,060,145,500.75
2. Non-controlling shareholders' profit or loss	-2,371,379.37	33,559,718.70
VI. Other Comprehensive Income after Tax	-5,204,433.13	35,051,534.76
Net of other comprehensive income after tax, attributable to owners of the parent company	-5,204,433.13	35,051,534.76
i. Other comprehensive income that will not be reclassified to profit or loss		
1. Remeasurement gains or losses of a defined benefit plan		
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
ii. Other comprehensive income to be reclassified to profit or loss	-5,204,433.13	35,051,534.76
1. Other comprehensive income that can be reclassified to profit or loss in equity		

method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Allowance for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Exchange differences on translation of foreign currency financial statements	-5,204,433.13	35,051,534.76
7. Others		
Net of tax of other comprehensive income attributable to non-controlling interests		
VII. Total Comprehensive Income	916,350,519.80	1,128,756,754.21
Total comprehensive income attributable to owners of the parent company	918,721,899.17	1,095,197,035.51
Total comprehensive income attributable to non-controlling interests	-2,371,379.37	33,559,718.70
VIII. Earnings per Share (EPS)		
i. Basic EPS	1.74	2.07
ii. Diluted EPS	1.74	2.07

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

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

4. Income statement of the parent company

Unit: RMB

Item	2023	2022
I. Operating Revenue	4,612,952,602.21	4,577,812,482.92
Less: Operating cost	3,525,784,543.37	3,227,307,427.56
Taxes and surcharges	29,363,391.08	11,236,280.20
Selling expenses	102,981,687.50	77,915,529.36
Administrative expenses	214,252,764.44	166,157,579.01
R&D expenses	230,883,072.79	184,219,805.63
Financial expenses	-105,735,506.51	-8,773,818.81
Including: Interest expenses	19,444,970.39	13,081,033.98
Interest income	72,074,999.90	16,932,237.89
Add: Other income	37,018,753.36	21,446,484.23
Investment income (losses are expressed with "-")	18,876,089.70	28,924,122.50
Including: Investment income from associates and joint ventures	-3,038,752.59	-11,557,515.50
Gain from derecognition of financial assets measured at amortized cost (losses are expressed with "-")		
Net exposure hedging gains (losses are expressed with "-")		
Gains from changes in fair value (losses are expressed with "-")	189,522,005.09	41,998,582.84
Credit impairment loss (losses are expressed with "-")	-27,756,504.77	-13,477,167.73

Assets impairment loss (losses are expressed with "-")	-37,739,002.82	-27,495,281.74
Gains on asset disposal (losses are expressed with "-")	983,085.50	1,775,526.19
II. Operating Profit (Losses are Expressed with "-")	796,327,075.60	972,921,946.26
Add: Non-operating revenue	14,444,752.58	4,573,416.43
Less: Non-operating expenditures	16,744,257.67	15,781,977.16
III. Total Profit (Total Losses are Expressed with "-")	794,027,570.51	961,713,385.53
Less: Income tax	86,878,999.80	116,886,470.92
IV. Net Profit (Net Losses are Expressed with "-")	707,148,570.71	844,826,914.61
i. Net profit from continuing operations (net losses are expressed with "-")	707,148,570.71	844,826,914.61
ii. Net profit from discontinued operations (net losses are expressed with "-")		
V. Other Comprehensive Income after Tax		
i. Other comprehensive income that will not be reclassified to profit or loss		
1. Remeasurement gains or losses of a defined benefit plan		
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument		

investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
ii. Other comprehensive income to be reclassified to profit or loss		
1. Other comprehensive income that can be reclassified to profit or loss in equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Allowance for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Exchange differences on translation of foreign currency financial statements		
7. Others		
VI. Total Comprehensive Income	707,148,570.71	844,826,914.61
VII. Earnings per Share (EPS):		
i. Basic EPS		
ii. Diluted EPS		

5. Consolidated statement of cash flows

Unit: RMB

Item	2023	2022
I. Cash Flows from Operating Activities:		
Cash receipts from sale of goods and the rendering of services	4,330,054,355.53	4,835,671,626.90
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash premiums received on original insurance contracts		
Net cash received from re-insurance business		
Net increase in deposits and investments from insurers		
Cash received from interest, fees and commission		
Net increase in funds deposit		
Net increase in repurchase business funds		
Net income from securities trading brokerage business		
Tax refunds received	6,738,420.78	167,080,225.34
Cash received relating to other operating activities	239,662,593.57	173,094,522.48
Subtotal of cash inflows from operating activities	4,576,455,369.88	5,175,846,374.72

Cash paid for purchase of goods and services	2,358,918,912.50	3,195,561,206.68
Net increase of loans and advances to clients		
Net increase in deposits with central bank and other financial institutions		
Cash payments for insurance indemnities of original insurance contracts		
Net increase in funds lent		
Cash received from interest, fees and commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	911,908,708.20	840,443,322.16
Cash payments for taxes and rates	195,409,883.91	164,093,555.59
Other cash payments related to operating activities	210,797,615.08	177,298,336.82
Subtotal of cash outflows from operating activities	3,677,035,119.69	4,377,396,421.25
Net cash flows from operating activities	899,420,250.19	798,449,953.47
II. Cash Flows from Investing Activities:		
Cash receipts from withdrawal of investments	60,223,565.20	
Cash receipts from investment income	7,952,693.54	31,885,535.79
Net cash receipts from the	13,037,865.31	11,455,415.48

disposal of fixed assets, intangible assets and other long-term assets		
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	269,492,265.15	1,683,595,387.21
Subtotal of cash inflows from investing activities	350,706,389.20	1,726,936,338.48
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	456,680,519.64	837,228,991.82
Cash payments for investments	53,243,831.94	388,728,138.00
Net increase in pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units	174,760,322.90	
Other cash payments related to investing activities	121,611,664.24	1,263,592,846.63
Subtotal of cash outflows from investing activities	806,296,338.72	2,489,549,976.45
Net cash flows from investing activities	-455,589,949.52	-762,613,637.97
III. Cash Flows from Financing Activities:		
Cash receipts from absorbing investments	1,558,167,332.10	41,575,424.03
Including: Cash received by subsidiaries from non-controlling shareholders as investments	50,000,000.00	1,000,000.00

Cash receipts from borrowings	1,308,937,000.00	1,181,627,940.00
Other cash receipts related to financing activities		60,000,000.00
Subtotal of cash inflows from financing activities	2,867,104,332.10	1,283,203,364.03
Cash payments for the repayment of borrowings	911,690,000.00	864,566,640.00
Cash payments for distribution of dividends or profits and for interest expenses	301,817,505.89	129,506,359.33
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		400,000.00
Other cash payments related to financing activities	102,948,597.83	6,179,088.58
Subtotal of cash outflows from financing activities	1,316,456,103.72	1,000,252,087.91
Net cash flows from financing activities	1,550,648,228.38	282,951,276.12
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	50,942,054.30	51,977,965.86
V. Net Increase in Cash and Cash Equivalents	2,045,420,583.35	370,765,557.48
Add: Opening balance of cash and cash equivalents	1,429,416,363.84	1,058,650,806.36
VI. Closing Balance of Cash and Cash Equivalents	3,474,836,947.19	1,429,416,363.84

6. Parent company statement of cash flows

Unit: RMB

Item	2023	2022
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I. Cash Flows from Operating Activities:		
Cash receipts from sale of goods and the rendering of services	3,327,533,982.26	4,478,543,046.73
Tax refunds received	5,882,934.14	162,918,855.25
Cash received relating to other operating activities	186,430,863.14	57,960,905.48
Subtotal of cash inflows from operating activities	3,519,847,779.54	4,699,422,807.46
Cash paid for purchase of goods and services	2,217,902,793.37	3,359,780,523.57
Cash paid to and on behalf of employees	495,887,859.38	515,813,016.99
Cash payments for taxes and rates	115,016,420.78	85,140,082.33
Other cash payments related to operating activities	161,499,410.64	105,949,919.15
Subtotal of cash outflows from operating activities	2,990,306,484.17	4,066,683,542.04
Net cash flows from operating activities	529,541,295.37	632,739,265.42
II. Cash Flows from Investing Activities:		
Cash receipts from withdrawal of investments	60,223,565.20	
Cash receipts from investment income	10,490,245.65	42,128,692.71
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	40,822,272.46	17,619,541.93

Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	385,085,367.70	1,601,034,041.49
Subtotal of cash inflows from investing activities	496,621,451.01	1,660,782,276.13
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	170,489,462.08	576,762,651.95
Cash payments for investments	1,115,256,621.77	388,728,138.00
Net cash payments for the acquisition of subsidiaries & other business units	293,760,000.00	10,000,000.00
Other cash payments related to investing activities	128,577,204.24	1,216,576,521.67
Subtotal of cash outflows from investing activities	1,708,083,288.09	2,192,067,311.62
Net cash flows from investing activities	-1,211,461,837.08	-531,285,035.49
III. Cash Flows from Financing Activities:		
Cash receipts from absorbing investments	1,508,167,332.10	40,575,424.03
Cash receipts from borrowings	700,000,000.00	1,040,797,440.00
Other cash receipts related to financing activities		60,000,000.00
Subtotal of cash inflows from financing activities	2,208,167,332.10	1,141,372,864.03
Cash payments for the repayment of borrowings	555,000,000.00	789,833,140.00

Cash payments for distribution of dividends or profits and for interest expenses	290,968,649.28	125,390,617.84
Other cash payments related to financing activities	72,706,808.16	1,337,827.17
Subtotal of cash outflows from financing activities	918,675,457.44	916,561,585.01
Net cash flows from financing activities	1,289,491,874.66	224,811,279.02
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	54,568,407.62	12,908,282.19
V. Net Increase in Cash and Cash Equivalents	662,139,740.57	339,173,791.14
Add: Opening balance of cash and cash equivalents	1,187,713,841.00	848,540,049.86
VI. Closing Balance of Cash and Cash Equivalents	1,849,853,581.57	1,187,713,841.00

7. Consolidated statement of changes in equity

Amount during the current period

Unit: RMB

Item	2023														
	Equity attributable to parent company												Non-controlling interest	Total owners' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
Preferred shares		Perpetual bonds	Others												
I. Closing Balance of Prior Year	512,772,787.00				2,584,590,243.74		28,166,283.84		256,386,393.50		2,771,489,902.27		6,153,405,610.35	184,577,839.49	6,337,983,449.84
Add: Cumulative changes of accounting policies															
Error correction of prior period															
Others															
II. Opening Balance of Current Year	512,772,787.00				2,584,590,243.74		28,166,283.84		256,386,393.50		2,771,489,902.27		6,153,405,610.35	184,577,839.49	6,337,983,449.84
III. Current Period	30,242,200.00				1,474,765,622.71	59,962,257.01	-5,204,433.		15,121,100.00		638,079,338.80		2,093,041,571.37	255,664,877.72	2,348,706,449.09

Increase (Decrease Is Expressed with "-")							13							
i. Total comprehensive income							5,204,433.13				923,926,332.30	918,721,899.17	2,371,379.37	916,350,519.80
ii. Capital contributed or withdrawn by owners	30,242,200.00				1,477,452,418.54							1,507,694,618.54	278,855,001.26	1,786,549,619.80
1. Ordinary shares contributed by owners	30,242,200.00				1,465,180,580.95							1,495,422,780.95	50,000,000.00	1,545,422,780.95
2. Capital contributed by holders of other equity instruments														
3. Amount of share-based payment included in equity					11,557,677.25							11,557,677.25		11,557,677.25
4. Others					714,160.34							714,160.34	228,855,001.26	229,569,161.60

2. Transfer of surplus reserve to capital (or share capital)															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plans carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
v. Special reserve															
1. Appropriation of current															

period															
2. Application of current period															
vi. Others					- 2,686,795.83	59,962,257.01						- 62,649,052.84	- 20,818,744.17	- 83,467,797.01	
IV. Closing Balance of Current Period	543,014,987.00				4,059,355,866.45	59,962,257.01	22,961,850.71		271,507,493.50		3,409,569,241.07	8,246,447,181.72	440,242,717.21	8,686,689,898.93	

Previous period

Unit: RMB

Item	2022														Non-controlling interest	Total owners' equity
	Equity attributable to parent company												Subtotal			
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others				
	Preferred shares	Perpetual bonds	Others													
I. Closing Balance of Prior	512,400,109.00				2,516,500,289.67	19,174,991.68	- 6,885,250.92		179,615,383.10		1,900,563,877.06	5,083,019,416.23	150,418,120.79	5,233,437,537.02		

Year															
Add: Cumulative changes of accounting policies															
Error correcti on of prior period															
Others															
II. Opening Balance of Current Year	512,400, 109.00				2,516,500 ,289.67	19,174, 991.68	6,885,25 0.92		179,615, 383.10		1,900,563 ,877.06		5,083,019 ,416.23	150,418, 120.79	5,233,437 ,537.02
III. Current Period Increase (Decrease Is Expressed with "-")	372,678. 00				68,089,95 4.07	- 19,174, 991.68	35,051,5 34.76		76,771,0 10.40		870,926,0 25.21		1,070,386 ,194.12	34,159,7 18.70	1,104,545 ,912.82

i. Total comprehensive income							35,051,534.76					1,060,145,500.75	1,095,197,035.51	33,559,718.70	1,128,756,754.21
ii. Capital contributed or withdrawn by owners	372,678.00				68,089,954.07	-19,174,991.68							87,637,623.75	1,000,000.00	88,637,623.75
1. Ordinary shares contributed by owners	372,678.00				21,011,442.32	-19,174,991.68							40,559,112.00	1,000,000.00	41,559,112.00
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included					45,710,298.75								45,710,298.75		45,710,298.75

in equity															
4. Others					1,368,213.00								1,368,213.00		1,368,213.00
iii. Profit distribution									76,771,010.40		-189,219,475.54		-112,448,465.14		-400,000.00112,848,465.14
1. Appropriation of surplus reserve									76,771,010.40		-76,771,010.40				
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners (or shareholders)											-112,448,465.14		-112,448,465.14		-400,000.00112,848,465.14
4. Others															

iv. Internal carry-over within equity															
1. Transfer of capital reserve to capital (or share capital)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Surplus reserve to cover losses															
4. Changes in															

defined benefit plans carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
v. Special reserve															
1. Appropriation of current period															
2. Application of current period															

vi. Others														
IV. Closing Balance of Current Period	512,772, 787.00				2,584,590 ,243.74	28,166,2 83.84	256,386, 393.50	2,771,489 ,902.27	6,153,405 ,610.35	184,577, 839.49	6,337,983 ,449.84			

8. Parent company statement of changes in equity

Amount during the current period

Unit: RMB

Item	2023											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing Balance of Prior Year	512,772,787.00				2,585,027,502.86				256,386,393.50	1,845,636,750.03		5,199,823,433.39
Add: Cumulative changes of accounting policies												
Error correction												

of prior period												
Others												
II. Opening Balance of Current Year	512,772,787.00				2,585,027,502.86				256,386,393.50	1,845,636,750.03		5,199,823,433.39
III. Current Period Increase (Decrease Is Expressed with "-")	30,242,200.00				1,477,452,418.54	59,962,257.01			15,121,100.00	421,301,577.21		1,884,155,038.74
i. Total comprehensive income										707,148,570.71		707,148,570.71
ii. Capital contributed or withdrawn by owners	30,242,200.00				1,476,738,258.20							1,506,980,458.20
1. Ordinary shares contributed by owners	30,242,200.00				1,465,180,580.95							1,495,422,780.95
2. Capital contributed by holders of other												

equity instruments												
3. Amount of share-based payment included in equity					11,557,677.25							11,557,677.25
4. Others												
iii. Profit distribution					714,160.34				15,121,100.00	-285,846,993.50		-270,011,733.16
1. Appropriation of surplus reserve									15,121,100.00	-15,121,100.00		
2. Appropriation of profit to owners (or shareholders)										-270,725,893.50		-270,725,893.50
3. Others					714,160.34							714,160.34
iv. Internal carry-over within equity												

1. Transfer of capital reserve to capital (or share capital)												
2. Transfer of surplus reserve to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plans carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
v. Special												

reserve												
1. Appropriation of current period												
2. Application of current period												
vi. Others						59,962,257.01						-59,962,257.01
IV. Closing Balance of Current Period	543,014,987.00				4,062,479,921.40	59,962,257.01			271,507,493.50	2,266,938,327.24		7,083,978,472.13

Previous period

Unit: RMB

Item	2022											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing Balance of	512,400,109.00				2,516,937,548.79	19,174,991.68			179,615,383.10	1,190,029,310.96		4,379,807,360.17

Prior Year												
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Opening Balance of Current Year	512,400,109. 00				2,516,937,548 .79	19,174,991. 68			179,615,383. 10	1,190,029,310 .96		4,379,807,360 .17
III. Current Period Increase (Decrease Is Expressed with "-")	372,678.00				68,089,954.07	19,174,991. - 68			76,771,010.4 0	655,607,439.0 7		820,016,073.2 2
i. Total comprehen sive income										844,826,914.6 1		844,826,914.6 1
ii. Capital contributed or withdrawn by owners	372,678.00				68,089,954.07	19,174,991. - 68						87,637,623.75
1. Ordinary shares	372,678.00				21,011,442.32	19,174,991. - 68						40,559,112.00

contributed by owners						68						
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity					45,710,298.75							45,710,298.75
4. Others					1,368,213.00							1,368,213.00
iii. Profit distribution									76,771,010.40	-		-
									0	189,219,475.54		112,448,465.14
1. Appropriation of surplus reserve									76,771,010.40	-		
									0	76,771,010.40		
2. Appropriation of profit to owners (or shareholders)										-		-
										112,448,465.14		112,448,465.14
3. Others												

iv. Internal carry-over within equity												
1. Transfer of capital reserve to capital (or share capital)												
2. Transfer of surplus reserve to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plans carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												

6. Others												
v. Special reserve												
1. Appropriation of current period												
2. Application of current period												
vi. Others												
IV. Closing Balance of Current Period	512,772,787.00				2,585,027,502.86				256,386,393.50	1,845,636,750.03		5,199,823,433.39

III. Company Profile

Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as the "Company"), a limited liability company by shares, was transformed from a limited liability company. It was registered at the Administration for Industry and Commerce of Yangzhou, Jiangsu on August 2, 2006, and obtained a corporate business license with registration code numbered Q.H.S.Y.Z.Z. No. 003428. Taking February 28, 2011 as the benchmark date, the Company was transformed into a limited liability by shares on an integral basis and was registered at the Administration for Industry and Commerce of Yangzhou, Jiangsu on April 18, 2011. Headquartered in Yangzhou City, Jiangsu Province, the Company currently holds a business license with unified social credit code of 913210007908906337, The Company has registered capital of RMB541,451,787.00, with total share of 541,451,787 shares (each with par value of RMB1). The paid-in capital is RMB543,014,987.00, and compared to the registered capital, there is a difference of RMB1,563,200.00 due to the fact that the exercise of Class II restricted stocks has not yet completed the industrial and commercial registration of changes and share registration. Specifically, 1,055,552 shares are restricted outstanding A shares, and 540,396,235 shares are unrestricted outstanding A shares. The Company's shares were listed on the Shenzhen Stock Exchange on January 23, 2014.

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

This financial statement was approved and authorized for issue by the 7th meeting of the fifth session of the Board of Directors dated April 18, 2024.

IV. Preparation Basis of the Financial Statement

1. Preparation basis

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

2. Continued operations

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

V. Significant Accounting Policies and Estimates

Specific accounting policies and accounting estimation hint:

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

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

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

2. Accounting period

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

3. Operating cycle

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

4. Functional currency

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

5. Determination method and selection basis for importance criteria

Applicable Not applicable

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

	total profits as significant associates.
Significant commitments	The Company identifies commitments with a single commitment amount exceeding 0.5% of the total assets as significant commitments.
Significant contingency	The Company identifies commitments with a single contingency amount exceeding 0.5% of the total assets as significant contingencies.
Significant events after the balance sheet date	The Company identifies commitments with an amount of single event after the balance sheet date exceeding 0.5% of the total assets as significant events after the balance sheet date.

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

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

The Company's assets and liabilities acquired from business combinations will be measured according to the carrying amount of the acquiree in the consolidated financial statement of the ultimate controlling party at the combination date. Difference between the carrying amount of the equity of the acquiree included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

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

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

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

(1) Judgment criteria for control

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

(2) Preparation methods for consolidated financial statements

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

8. Recognition criteria of cash and cash equivalents

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

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

(1) Conversion of transactions denominated in foreign currency

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

(2) Foreign currency financial statement conversion

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

10. Financial instruments

(1) Classification of financial assets and financial liabilities

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

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

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

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

A financial instrument is recognized as an financial asset or liability when the Company becomes a party thereto. The financial assets and financial liabilities initially recognized are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, if the accounts receivable initially recognized by the Company do not include

material financing component or the financing component in the contract less than one year and not considered by the Company, the initial measurement is done according to the transaction price defined in CASBE No. 14 -Revenues.

2) Subsequent measurement method of financial assets

a. Financial assets measured at amortized cost

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

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

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

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

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

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

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

3) Subsequent measurement of financial liabilities

a. Financial liabilities at fair value through profit or loss

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

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

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

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

The Company measures its financial liabilities at the higher of the following two amounts after initial recognition: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized according to the relevant provisions of CASBE No. 14 - Revenues.

d. Financial liabilities at amortized cost

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

4) Derecognition of financial assets and financial liabilities

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

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

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

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

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

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

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

derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

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

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

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

(5) Impairment of financial instruments

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

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

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

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

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

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

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

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

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

(6) Offsetting financial assets and financial liabilities

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

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

11. Accounts receivable

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

Portfolio types	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable - portfolio	Ages	Based on historical credit loss experience, the current

Portfolio types	Basis for determination of portfolio	Method for measuring expected credit loss
grouped with ages		situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of accounts receivable to calculate expected credit loss.
Other receivables - portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of other accounts receivable to calculate expected credit loss.
Contract assets - quality guarantee deposit portfolio	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.

(2) Comparison table of ages and expected credit loss rate of portfolio grouped with ages

Ages	Accounts receivable Expected credit loss rate (%)	Other receivables Expected credit loss rate (%)
Within one year (inclusive, the same below)	5.00	5.00
One to two years	10.00	10.00
Two to three years	50.00	50.00
Above three years	100.00	100.00

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

(3) The identification criteria for accounts receivables and contract assets with expected credit losses withdrawn on a single basis

For accounts receivables and contract assets whose credit risk is significantly different from that of the portfolio credit risk, the Company shall make provision for expected credit losses on a single basis.

12. Contract assets

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

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

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

13. Inventory

(1) Classification of inventories

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

(2) Accounting method for dispatching inventories

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

(3) Inventory system

Perpetual inventory method is adopted.

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

1) Low-value consumables

Packages are amortized with one-off method.

2) Packing materials

Packages are amortized with one-off method.

(5) Provision for inventory write-down

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

determined separately and are compared with their costs to set the provision for inventory write-down to be made or reversed.

14. Long-term Equity Investment

(1) Judgment criteria for joint control and significant influence

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

(2) Determination of investment cost

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

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

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

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

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

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

arising from changes in net liabilities or assets from remeasurement of defined benefit plans of the acquiree.

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

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

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

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

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

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

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

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

a. Stand-alone financial statements

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

b. Consolidated financial statements

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

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

3) Accounting treatment of "bundled transaction"

a. Stand-alone financial statements

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

b. Consolidated financial statements

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

15. Fixed assets

(1) Recognition conditions

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

(2) Depreciation method

Type	Depreciation method	Depreciable life	Residual value rate	Annual depreciation rate
Buildings and structures	Straight-line method	10 to 20 years	5.00%	9.50%-4.75%
General equipment	Straight-line method	Three to five years	5.00%	31.67%-19.00%
Special equipment	Straight-line method	3 to 10 years	5.00%	31.67%-9.50%
Transport facilities	Straight-line method	Four years	5.00%	23.75%

16. Construction in progress

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

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

Type	Criteria and time point for the transfer of constructions in progress to fixed assets
Buildings and structures	Construction works has been completed and accepted, and reached its designed usable conditions.
General equipment	After installation and debugging, it can meet the design requirements or the standard stipulated in the contract.
Special equipment	After installation and debugging, it can meet the design requirements or the standard stipulated in the contract.

17. Borrowing costs

(1) Recognition principles for the capitalization of borrowing costs

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

(2) Period for capitalization of borrowing costs

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

2) If the acquisition, construction or production of an asset eligible for capitalization is continuously suspended for over 3 months for abnormal reasons, capitalization of the borrowing costs shall be suspended; borrowing costs incurred during the suspension shall be recognized as the current expenses until the acquisition, construction or production of the asset is resumed.

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

(3) Capitalization rate and capitalization amount of borrowing costs

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

18. Intangible Assets

(1) Service life and its determination basis, estimated situation, amortization method or review procedure

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

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

Item	Service life and its determination basis	Amortization method
Land use right	50 years, the available time for land use	Straight-line method
Software	5-10 years, expected service life	Straight-line method
Proprietary technology	10 years, expected service life	Straight-line method

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

1) Scope of R&D expenditure

a. Personnel and labor expenses

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

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

b. Direct input expenses

Direct input expenses refer to the related expenses actually incurred by the company for implementing R&D activities. Including: a) Costs for direct consumption of materials, fuel, and power; b) Development and manufacturing costs of molds and technological equipment for intermediate tests and trial production, purchase costs for samples, prototypes and general testing

methods that do not constitute fixed assets, and the inspection costs of trial production products; c) Expenses for the operation and maintenance, adjustment, inspection, testing, and repair of instruments and equipment used for R&D activities.

c. Depreciation expenses and long-term prepayments

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

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

d. Amortization expenses of intangible assets

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

e. Design costs

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

f. Commissioned R&D expenses

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

g. Other expenses

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

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

19. Impairment of long-term assets

For long-term assets such as long-term equity investments, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives, the recoverable amount is to be estimated if there is an indication of impairment at the balance sheet date. For goodwill recognized

in a business combination and intangible assets with indefinite useful lives, no matter whether there is an indication of impairment, an impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

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

20. Long-term prepayments

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

21. Contract liabilities

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

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

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

22. Employee benefits

(1) Accounting treatment of short-term compensation

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

(2) Accounting treatment of termination benefits

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

1) During the accounting period in which the employees provide services to the Company, the amount to be contributed as calculated according to the defined contribution plan is recognized as a liability and recorded in the profit or loss for the current period or the related asset costs.

2) The accounting treatment of the defined benefit plan usually includes the following steps:

a. Based on the projected unit credit method, related demographic variables and financial variables are estimated by using unbiased and mutually compatible actuarial assumptions, the obligations under the defined benefit plan are measured, and the periods to which relevant obligations are attributed are determined. Meanwhile, the Company discounts the obligations under the defined benefit plan to determine the present value of the obligations under the defined benefit plan and the service cost in the period concerned.

b. The deficit or surplus formed by present value of obligations to the defined benefit plan minus the fair value of assets of the defined benefit plans is recognized as one net liabilities or net profits

of the defined benefit plans. When there is a surplus under a defined benefit plan, the Company measures the net assets under the defined benefit plan by whichever is lower of the surplus under the defined benefit plan or the asset ceiling;

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

(3) Accounting treatment of the termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: 1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; 2) when the Company recognizes costs or expenses relating to the restructure of payments of dismissal benefits.

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

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plans. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: (1) service cost; (2) net interest on the net liability or net assets of other long-term employee benefits; and (3) changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

23. Share-based payment

(1) Category of share-based payments

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

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

1) Equity-settled share-based payments

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

For equity-settled share-based payment transactions with parties other than employees, if the fair value of the services received can be measured reliably, the fair value is measured at the date the Company receives the service; if the fair value of the services received cannot be measured reliably,

but that of equity instruments can be measured reliably, the fair value of the equity instruments granted measured at the date the Company receives the service is referred to, and recognized as transaction cost or expense, with a corresponding increase in equity.

2) Cash-settled share-based payments

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

3) Modification and termination of share-based payment plans

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

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

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

24. Revenue

Disclosure of accounting policies adopted for recognition and measurement of revenue by business type

(1) Principles for revenue recognition

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

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: 1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; 2) the customer can control goods as they are created by the Company's performance; 3) goods created during the Company's performance have irreplaceable uses and the

Company has an enforceable right to the payments for performance completed to date during the whole contract period.

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

(2) Principles for revenue measurement

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

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

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

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

(3) Specific methods for revenue recognition

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

payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

Different revenue recognition methods and measurement methods involved for different business models for the same type of business

None

25. Contract costs

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

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

- (1) The costs relate directly to a contract or to an anticipated contract, including direct labor, direct materials, manufacturing overhead cost (or a similar cost), cost that are explicitly chargeable to the customer under the contract, and other costs that are only related to the contract;
- (2) The costs enhance resources of the Company that will be used in satisfying performance obligations in the future;
- (3) The costs are expected to be recovered.

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

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

26. Government grants

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

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

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset the carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the

useful lives of the relevant assets. Those government grants measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

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

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

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

(5) Accounting treatment method for policy interest subvention

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

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

27. Deferred tax assets/deferred tax liabilities

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

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

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

reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

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

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

28. Leases

(1) Accounting treatment method for the lease as a lessee

On the beginning date of the lease term, the Company will recognize the lease with a lease term not exceeding 12 months and excluding the purchase option as a short-term lease. Leases with lower value when a single leased asset is a brand-new asset are identified as low-value asset leases. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

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

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

1) Right-of-use assets

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

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

2) Lease liabilities

At the commencement date of the lease term, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference

between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

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

(2) Accounting treatment method for the lease as a lessor

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

1) Operating lease

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

2) Finance lease

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

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

29. Other significant accounting policies and estimates

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

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

30. Significant accounting policies and estimates

(1) Change in accounting policies

Applicable Not applicable

(2) Changes in accounting estimates

Applicable Not applicable

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

Applicable Not applicable

VI. Taxes

1. Main taxes and tax rates

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

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

Name of taxpayer	Income tax rate
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<p>The Company, Chengdu Qingyang Electronic Materials Co., Ltd., Yangzhou J&V Semiconductor Co., Ltd., Yixing Jiexin Semiconductor Co., Ltd., Jiangsu Yangjie Runau Semiconductor Co., Ltd., Sichuan Yajixin Electronic Technology Co., Ltd., Inner Mongolia Qingyang Electronic Material Co., Ltd., Sihong Hongxin Semiconductor Co., Ltd., Hunan Chuwei Semiconductor Technology Co., Ltd., (the above subsidiaries are referred to as Chengdu Qingyang Company, J&V Semiconductor Company, Yixing Jiexin Company, Jiangsu Runau Company, Sichuan Yajixin Company, Inner Mongolia Qingyang Company, Sihong Hongxin Company and Hunan Jiechuwei Company)</p>	15%
<p>Jiangsu MCC Semiconductor Co., Ltd., Yangzhou Jiemei Semiconductor Co., Ltd., Shanghai XinYangjie Electronics Co., Ltd., (formerly Shanghai Paiqi Microelectronics Co., Ltd.), Shanghai Lingxin Semiconductor Technology Co., Ltd., Wuxi Lingxin Semiconductor Technology Co., Ltd., Yangzhou Jaywin Auto Chip Co., Ltd., Hangzhou E-Giant Semiconductor Technology Co., Ltd., Wuxi Jiexiwei Semiconductor Co., Ltd., (the above subsidiaries are referred to as MCC Jiangsu, Yangzhou Jiemei Company, Shanghai Xinyang Company, Shanghai Lingxin Company, Wuxi Lingxin Company, Jaywin Chip Company, Hangzhou E-Giant Company, and Wuxi Jiexiwei Company)</p>	20%
<p>Other domestic subsidiaries</p>	25%

2. Tax incentives

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

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

- (3) Pursuant to the Announcement on List of the Fourth Batch of Accredited High-tech Enterprises in Jiangsu Province in 2021 by the National High-tech Enterprise Accreditation Management Leading Group, the subsidiary J&V Semiconductor Company was accredited as a high-tech enterprise with a valid period from 2021 to 2023. In the current period, it was subject to a tax rate of 15% for enterprise income tax.
- (4) Pursuant to the Notice on Publicity of Record-filing of the Fourth Batch of High-tech Enterprises in Jiangsu Province in 2022 by the National High-tech Enterprise Accreditation Management Leading Group, the subsidiaries, Jiangsu Runau Company and Yixing Jiexin Company, were accredited as high-tech enterprises with a valid period from 2022 to 2024. In the current period, it was subject to a tax rate of 15% for enterprise income tax.
- (5) Pursuant to the Announcement on Record-filing of the First Batch of High-tech Enterprises Accredited by the Accreditation Authority in Jiangsu Province in 2023 by the National High-tech Enterprise Accreditation Management Leading Group, the subsidiary Sihong Hongxin Company was accredited as a high-tech enterprise with a valid period from 2023 to 2025. In the current period, it was subject to a tax rate of 15% for enterprise income tax.
- (6) Pursuant to the Announcement on Publicity of Record-filing of the Second Batch of High-tech Enterprises Accredited by the Accreditation Authority in Hunan Province in 2022 by the National High-tech Enterprise Accreditation Management Leading Group, the subsidiary Hunan Jiechuwei Company was accredited as a high-tech enterprise with a valid period from 2022 to 2024. In the current period, it was subject to a tax rate of 15% for enterprise income tax.
- (7) Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Western Development (Announcement of the Ministry of Finance [2020] No. 23), the subsidiary of Inner Mongolia Qingyang Company was entitled to enjoy relevant preferential tax policy since January 1, 2021, which were subject to reduced rate of 15% for enterprise income tax from January 1, 2021 to December 31, 2030.
- (8) Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 12), for the proportion of the annual taxable income of small low-profit enterprises not exceeding RMB3 million, the taxable income shall be reduced by 25% and subject to enterprise income tax at a rate of 20%. For subsidiaries MCC Jiangsu, Yangzhou Jiemei Company, Shanghai Xinyang Company, Shanghai Lingxin Company, Wuxi Lingxin Company, and Jaywin Chip Company, Wuxi Jiexiwei Company, and Hangzhou E-Giant are small and micro enterprises. The preferential policy period is from January 1, 2023 to December 31, 2027, and the enterprise income tax shall be calculated and paid in line with the above preferential policies in 2023.
- (9) Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 43), advanced manufacturing enterprises are allowed to credit the amount of input tax creditable in the current period plus 5% thereof against the amount of tax payable. Subsidiaries J&V Semiconductor Company, Sihong Hongxin Company, Chengdu Qingyang Company, Yixing Jiexin Company, Jiangsu Runau Company, and Sichuan Yajixin Company are advanced manufacturing enterprises. In accordance with the above preferential policies, the advanced manufacturing enterprises shall credit the amount of input tax for the current year plus 5% thereof against the amount of tax payable.

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

3. Others

The nine overseas subsidiaries of the Company are calculated and paid in accordance with the relevant tax policies of the place of registration.

VII. Notes to Items of Consolidated Financial Statements

1. Monetary assets

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	684.88	46,559.92
Bank deposits	3,517,655,902.76	1,429,369,803.92
Other monetary assets	581,474.92	27,867,766.13
Total	3,518,238,062.56	1,457,284,129.97
Of which: Total amount deposited overseas	942,275,295.07	165,562,714.11

Other notes:

2. Held-for-trading financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss for the current period	41,785,067.71	63,200,000.00
Of which:		
Financial products	10,000,000.00	63,200,000.00

Equity instrument investments	31,785,067.71	
Of which:		
Total	41,785,067.71	63,200,000.00

Other notes:

3. Notes receivable

(1) Notes receivable listed by category

Unit: RMB

Item	Closing balance	Opening balance
Trade acceptance notes	12,863,153.42	12,807,571.46
Cheque from bank of Taiwan		258,537.23
Total	12,863,153.42	13,066,108.69

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

Unit: RMB

Type	Closing balance					Opening balance				
	Carrying balance		Bad debt provision		Carrying amount	Carrying balance		Bad debt provision		Carrying amount
	Amount	Percent age	Amount	Withdra wal proporti on		Amount	Percent age	Amount	Withdra wal proporti on	
Of which:										
Notes receivable of bad debt provision withdrawn by portfolios	13,540,161.50	100.00 %	677,008.08	5.00%	12,863,153.42	13,066,108.69	100.00 %	0.00	0.00%	13,066,108.69

Of which:										
Cheque from bank of Taiwan						258,537.23	1.98%	0.00	0.00%	258,537.23
Trade acceptance receivable	13,540,161.50	100.00%	677,008.08	5.00%	12,863,153.42	12,807,571.46	98.02%	0.00	0.00%	12,807,571.46
Total	13,540,161.50	100.00%	677,008.08	5.00%	12,863,153.42	13,066,108.69	100.00%	0.00	0.00%	13,066,108.69

Bad debt provision withdrawn by portfolio: RMB677,008.08

Unit: RMB

Name	Closing balance		
	Carrying balance	Bad debt provision	Withdrawal proportion
Trade acceptance receivable	13,540,161.50	677,008.08	5.00%
Total	13,540,161.50	677,008.08	

Notes to the determination basis for the Group:

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

Type	Opening balance	Changes in the current period				Closing balance
		Withdrawal	Reversed or recovered	Write-off	Others	
Bad debt provision	0.00	677,008.08				677,008.08

withdrawn by groups						
Total	0.00	677,008.08				677,008.08

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

Applicable Not applicable

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

Unit: RMB

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

Unit: RMB

Item	Closing derecognized amount	Closing un-derecognized amount
Trade acceptance notes		8,231,890.53
Total		8,231,890.53

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

Unit: RMB

Item	Written-off amount
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Of which, the verification of significant notes receivable:

Unit: RMB

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

4. Accounts receivable

(1) Disclosure by ages

Unit: RMB

Ages	Closing carrying balance	Opening carrying balance
Within one year (inclusive)	1,593,120,069.92	1,270,373,652.14
One to two years	3,824,841.95	1,443,778.10
Two to three years		40,199.02
Above three years	226,636.65	249,368.13
Three to four years	226,636.65	249,368.13
Total	1,597,171,548.52	1,272,106,997.39

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

Unit: RMB

Type	Closing balance					Opening balance				
	Carrying balance		Bad debt provision		Carrying amount	Carrying balance		Bad debt provision		Carrying amount
	Amount	Percent age	Amount	Withdra wal proporti on		Amount	Percent age	Amount	Withdra wal proporti on	
Accounts receivable of bad debt provision withdrawn on a single basis	1,587,601.36	0.10%	1,587,601.36	100.00%						
Of which:										
Accounts receivable of bad debt provision withdrawn by	1,595,583,947.16	99.90%	80,004,483.92	5.01%	1,515,579,463.24	1,272,106,997.39	100.00%	63,932,528.05	5.03%	1,208,174,469.34

groups										
Of which:										
Total	1,597,171,548.52	100.00%	81,592,085.28	5.11%	1,515,579,463.24	1,272,106,997.39	100.00%	63,932,528.05	5.03%	1,208,174,469.34

Bad debt provision withdrawn on an individual basis: RMB1,587,601.36

Unit: RMB

Name	Opening balance		Closing balance			
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision	Withdrawal proportion	Reason for accrual
Receivables with provision made on an individual basis	0.00	0.00	1,587,601.36	1,587,601.36	100.00%	
Total	0.00	0.00	1,587,601.36	1,587,601.36		

Bad debt provision withdrawn by portfolio: RMB80,004,483.92

Unit: RMB

Name	Closing balance		
	Carrying balance	Bad debt provision	Withdrawal proportion
Within one year	1,593,120,069.92	79,656,003.55	5.00%
One to two years	2,350,440.97	235,044.10	10.00%
Two to three years	0.00	0.00	50.00%
Above three years	113,436.27	113,436.27	100.00%
Total	1,595,583,947.16	80,004,483.92	

Notes to the determination basis for the Group:

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

Type	Opening balance	Changes in the current period				Closing balance
		Withdrawal	Reversed or recovered	Write-off	Others	
Receivables with provision made on an individual basis		1,587,601.36				1,587,601.36
Bad debt provision withdrawn by groups	63,932,528.05	15,788,734.18		2,232,340.59	2,515,562.28	80,004,483.92
Total	63,932,528.05	17,376,335.54		2,232,340.59	2,515,562.28	81,592,085.28

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

Unit: RMB

Entity	Amount reversed or recovered	Reason for reversal	Way of recovery	Basis and rationality of determining the ratio of withdrawing original bad debt provision

(4) Accounts receivable with actual write-off in current period

Unit: RMB

Item	Written-off amount
Accounts receivable with actual write-off	2,232,340.59

Of which the verification of significant accounts receivable:

Unit: RMB

Entity	Nature	Written-off amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
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Notes to verification of accounts receivable:

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

Unit: RMB

Entity	Closing balance	Closing balance of contract assets	Closing balance of the accounts receivable and contract assets	Proportion to total closing balance of the accounts receivable and contract assets	Closing balance of bad debt provision for accounts receivable and provision for impairment for contract assets
No. 1	101,170,901.62	0.00	101,170,901.62	6.33%	5,058,545.08
No. 2	72,918,779.01	0.00	72,918,779.01	4.56%	3,645,938.95
No. 3	68,349,762.00	0.00	68,349,762.00	4.27%	3,417,488.10
No. 4	59,343,394.38	0.00	59,343,394.38	3.71%	2,967,169.72
No. 5	53,858,220.36	0.00	53,858,220.36	3.37%	2,692,911.02
Total	355,641,057.37	0.00	355,641,057.37	22.24%	17,782,052.87

5. Contract assets

(1) List of contract assets

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying balance	Bad debt provision	Carrying amount	Carrying balance	Bad debt provision	Carrying amount
Quality guarantee deposit receivable	1,694,306.70	84,715.34	1,609,591.36			
Total	1,694,306.70	84,715.34	1,609,591.36			

(2) Significant changes in the carrying amount and the reason in the reporting period

Unit: RMB

Item	Change in amount	Reason(s)

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

Unit: RMB

Type	Closing balance					Opening balance				
	Carrying balance		Bad debt provision		Carrying amount	Carrying balance		Bad debt provision		Carrying amount
	Amount	Percentage	Amount	Withdrawal proportion		Amount	Percentage	Amount	Withdrawal proportion	
Of which:										
Bad debt provision withdrawn by groups	1,694,306.70	100.00%	84,715.34	5.00%	1,609,591.36					
Of which:										

Total	1,694,306.70	100.00%	84,715.34	5.00%	1,609,591.36					
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Bad debt provision withdrawn by portfolio: RMB84,715.34

Unit: RMB

Name	Closing balance		
	Carrying balance	Bad debt provision	Withdrawal proportion
Quality guarantee deposit portfolio	1,694,306.70	84,715.34	5.00%
Total	1,694,306.70	84,715.34	

Notes to the determination basis for the Group:

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

Applicable Not applicable

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

Unit: RMB

Item	Provision withdrawn in the current period	Provision reversed or recovered in the current period	Provision written-off/charged-off in the current period	Reason
Provision for impairment withdrawn by portfolios	84,715.34			
Total	84,715.34			—

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

Unit: RMB

Entity	Amount reversed or recovered	Reason for reversal	Way of recovery	Basis and rationality of determining the ratio of withdrawing
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				original bad debt provision
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Other notes:

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

Unit: RMB

Item	Written-off amount
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Of which, the write-off of significant contract assets

Unit: RMB

Entity	Nature of receivables	Written-off amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
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Notes for write-off of contract assets

Other notes:

6. Receivables financing

(1) Receivables financing listed by category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance receivable	217,717,753.23	231,592,339.12
Total	217,717,753.23	231,592,339.12

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

Unit: RMB

Type	Closing balance				Carrying amount	Opening balance			
	Carrying balance		Bad debt provision			Carrying balance		Bad debt provision	
	Amount	Percent	Amount	Withdrawal		Amount	Percent	Amount	Withdrawal

	t	age	t	proport ion		t	age	t	proport ion	
Of which:										
Bad debt provision withdrawn by groups	217,717,753.23	100.00%	0.00	0.00%	217,717,753.23	231,592,339.12	100.00%	0.00	0.00%	231,592,339.12
Of which:										
Bank acceptance receivable	217,717,753.23	100.00%	0.00	0.00%	217,717,753.23	231,592,339.12	100.00%	0.00	0.00%	231,592,339.12
Total	217,717,753.23	100.00%	0.00	0.00%	217,717,753.23	231,592,339.12	100.00%	0.00	0.00%	231,592,339.12

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

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Balance as at January 1, 2023 in the current period				

Classification basis and bad debt provision proportion for each stage

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

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

Unit: RMB

Type	Opening balance	Changes in the current period				Closing balance
		Withdrawal	Reversed or recovered	Charged-off/write-off	Other changes	

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

Unit: RMB

Entity	Amount reversed or recovered	Reason for reversal	Way of recovery	Basis and rationality of determining the ratio of withdrawing original bad debt provision
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Other notes:

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

Unit: RMB

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

Unit: RMB

Item	Closing derecognized amount	Closing un-derecognized amount
Bank acceptance receivable	1,051,930,006.31	
Total	1,051,930,006.31	

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

Unit: RMB

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

Unit: RMB

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

Notes for write-off:

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

(8) Other notes

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

7. Other accounts receivable

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	12,420,738.13	22,043,111.30
Total	12,420,738.13	22,043,111.30

(1) Other receivables

1) Category of other receivables by account nature

Unit: RMB

Nature of receivables	Closing carrying balance	Opening carrying balance
Guarantee deposits	17,342,396.50	27,075,060.26
Temporary payment receivable	4,913,083.66	3,526,423.61
Prepayments for taxes of agent import customs declaration	40,524.29	298,313.86

Others	41,041.16	94,388.02
Total	22,337,045.61	30,994,185.75

2) Disclosure by ages

Unit: RMB

Ages	Closing carrying balance	Opening carrying balance
Within one year (inclusive)	11,941,093.71	18,967,012.70
One to two years	973,121.26	2,338,758.00
Two to three years	401,780.00	3,839,134.10
Above three years	9,021,050.64	5,849,280.95
Three to four years	9,021,050.64	5,849,280.95
Total	22,337,045.61	30,994,185.75

3) Disclosure by classification according to bad debt provision method

Applicable Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Carrying balance		Bad debt provision		Carrying amount	Carrying balance		Bad debt provision		Carrying amount
	Amount	Percentage	Amount	Withdrawal proportion		Amount	Percentage	Amount	Withdrawal proportion	
Of which:										
Bad debt provision withdrawn by groups	22,337,045.61	100.00%	9,916,307.48	44.39%	12,420,738.13	30,994,185.75	100.00%	8,951,074.45	28.88%	22,043,111.30
Of which:										

Total	22,337,045.61	100.00%	9,916,307.48	44.39%	12,420,738.13	30,994,185.75	100.00%	8,951,074.45	28.88%	22,043,111.30
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Bad debt provision withdrawn by portfolio: RMB9,916,307.48

Unit: RMB

Name	Closing balance		
	Carrying balance	Bad debt provision	Withdrawal proportion
Within one year	11,941,093.71	597,054.70	5.00%
One to two years	973,121.26	97,312.13	10.00%
Two to three years	401,780.00	200,890.01	50.00%
Above three years	9,021,050.64	9,021,050.64	100.00%
Total	22,337,045.61	9,916,307.48	

Notes to the determination basis for the Group:

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

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected loss in the duration (credit impairment not incurred)	Expected loss in the duration (credit impairment incurred)	
Balance as at January 1, 2023	948,350.65	233,875.80	7,768,848.00	8,951,074.45
Balance as at January 1, 2023 in the current period				
--Transferred to Stage 2	-48,656.06	48,656.06		

--Transferred to Stage 3		-40,178.00	40,178.00	
Provision withdrawn in the current period	-308,134.05	-145,041.73	1,412,914.65	959,738.87
Other changes	5,494.16			5,494.16
Balance as at December 31, 2023	597,054.70	97,312.13	9,221,940.65	9,916,307.48

Classification basis and bad debt provision proportion for each stage

Stage division basis: The first stage is for accounts within one year, the second stage is for accounts with an age of one-two years, and the third stage is for accounts with an age of more than two years.

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

Type	Opening balance	Changes in the current period				Closing balance
		Withdrawal	Reversed or recovered	Charged-off/write-off	Others	

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

Unit: RMB

Entity	Amount reversed or recovered	Reason for reversal	Way of recovery	Basis and rationality of determining the ratio of withdrawing original bad debt provision

5) Other receivables with actual write-off in the current period

Unit: RMB

Item	Written-off amount
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Of which the verification of significant other receivables:

Unit: RMB

Entity	Nature	Written-off amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
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Notes to the verification of other receivables:

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

Unit: RMB

Entity	Nature	Closing balance	Ages	Proportion to total closing balance of other receivables	Closing balance of bad debt provision
No. 1	Guarantee deposits	984,560.00	Within one year	4.41%	49,228.00
No. 1	Guarantee deposits	130,000.00	One to two years	0.58%	13,000.00
No. 1	Guarantee deposits	1,800,000.00	Above three years	8.06%	1,800,000.00
No. 2	Guarantee deposits	2,000,000.00	Above three years	8.95%	2,000,000.00
No. 3	Guarantee deposits	2,000,000.00	Above three years	8.95%	2,000,000.00
No. 4	Guarantee deposits	1,414,200.00	Above three years	6.33%	1,414,200.00
No. 5	Guarantee deposits	1,350,000.00	Within one year	6.04%	67,500.00

Total		9,678,760.00		43.32%	7,343,928.00
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7) Presentation of other receivables due to centralized management of funds

Unit: RMB

Other notes:

8. Prepayment

(1) Prepayment listed by aging

Unit: RMB

Ages	Closing balance		Opening balance	
	Amount	Percentage	Amount	Percentage
Within one year	53,961,144.78	90.40%	115,703,231.21	99.06%
One to two years	4,792,172.62	8.03%	854,115.83	0.73%
Two to three years	689,804.33	1.15%	250,000.00	0.21%
Above three years	250,000.00	0.42%		
Total	59,693,121.73		116,807,347.04	

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

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

Entity	Carrying balance (RMB)	Proportion to the total balance of prepayment (%)
No. 1	38,905,929.32	65.18
No. 2	4,081,278.77	6.84
No. 3	2,069,298.78	3.47

Entity	Carrying balance (RMB)	Proportion to the total balance of prepayment (%)
No. 4	1,951,945.23	3.27
No. 5	1,137,753.14	1.91
Subtotal	48,146,205.24	80.67

Other notes:

9. Inventory

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

No

(1) Category of inventory

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying balance	Depreciation reserves of inventories or impairment allowance for contract performance costs	Carrying amount	Carrying balance	Depreciation reserves of inventories or impairment allowance for contract performance costs	Carrying amount
Raw materials	299,508,923.94	20,154,737.36	279,354,186.58	314,989,051.96	9,208,086.81	305,780,965.15
Goods in process	186,327,954.39	2,530,535.65	183,797,418.74	169,518,274.03	1,096,008.81	168,422,265.22
Goods on hand	713,045,818.66	51,368,440.73	661,677,377.93	746,951,490.88	39,332,072.96	707,619,417.92
Commissioned products	20,488,638.49		20,488,638.49	31,345,637.41		31,345,637.41
Total	1,219,371,335.48	74,053,713.74	1,145,317,621.74	1,262,804,454.28	49,636,168.58	1,213,168,285.70

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

Unit: RMB

Item	Opening balance	Increased amount for the current period		Decreased amount for the current period		Closing balance
		Withdrawal	Others	Reversal or write-off	Others	
Raw materials	9,208,086.81	17,338,253.69		6,391,603.14		20,154,737.36
Goods in process	1,096,008.81	3,045,053.83		1,610,526.99		2,530,535.65
Goods on hand	39,332,072.96	39,445,534.37		27,409,166.60		51,368,440.73
Total	49,636,168.58	59,828,841.89		35,411,296.73		74,053,713.74

Item	Specific basis for determining net realizable value	Reasons for reversing the provision for inventory write-down	Reasons for charged-off of the provision for inventory write-down
Raw materials	Net realizable value is determined by estimated selling price of relevant finished goods less cost to be incurred upon completion, estimated selling expenses, and relevant taxes.	The net realizable value of inventory, for which provision for inventory write-down had been withdrawn previously, has increased.	Inventory whose provision for inventory write-down had been withdrawn will be consumed/sold for the period.
Goods in process			
Goods on hand	Net realizable value is determined by estimated selling price less estimated selling expenses, and relevant taxes.	The net realizable value of inventory, for which provision for inventory write-down had been withdrawn previously, has increased.	Inventory whose provision for inventory write-down had been withdrawn will be consumed/sold for the period.

Provision for inventory write-down withdrawn by portfolios

Unit: RMB

Portfolios	Closing			Opening		
	Closing balance	Provision for write-down	Withdrawal proportion of provision for write-down	Opening balance	Provision for write-down	Withdrawal proportion of provision for write-down

Withdrawal criteria for provision for inventory write-down by portfolios

(3) Notes to the amount of capitalized borrowing cost in the closing balance of inventories**(4) Notes to the amount of contract performance costs amortized for the current period****(5). Other debt investments due within one year**Applicable Not applicable**10. Other current assets**

Unit: RMB

Item	Closing balance	Opening balance
Principal-guaranteed fixed income financial products		80,000,000.00
Taxes to be credited	16,633,033.54	45,018,438.41
Prepayments and others	16,690,481.34	10,146,845.41
Total	33,323,514.88	135,165,283.82

Other notes:

11. Long-term equity investment

Unit: RMB

Investees	Opening balance (carry)	Opening balance of provis	Increase/decrease for the current period								Closing balance (carry)	Closing balance of allow
			Investments	Investments	Investment	Adjustment	Other equity	Cash divide	Allowance	Others		

	ing amou nt)	ion for impair ment	increa sed	decrea sed	gains and losses recog nized under equity metho d	of other compr ehensi ve incom e	chang es	nd/ profit decla red for distrib ution	for impair ment		ing amou nt)	ance for impair ment
I. Joint Ventures												
II. Associates												
Yangz hou Guoy u Electr onics Co., Ltd.	36,79 0,996. 72				8,466, 648.1 9			1,683, 572.4 2			43,57 4,072. 49	
Jiangs u Intelli gent Micro syste m Indust rial Techn ology Co., Ltd.	19,93 7,796. 78				- 1,139, 829.5 2						18,79 7,967. 26	
Jiangs u Huan xin Semic onduc tor Co., Ltd. [Note 3]	51,25 3,013. 42				- 8,313, 018.6 1						- 42,93 9,994. 81	
Huna n Jiechu wei Comp any	358,6 24,96 7.82				- 2,052, 552.6 5						- 356,5 72,41 5.17	
Subtot	466,6 06,77				- 3,038,			1,683, 572.4			- 399,5 2,039.	

al	4.74				752.5 9			2		12,40 9.98	75	
Total	466,6 06,77 4.74				- 3,038, 752.5 9			1,683, 572.4 2		- 399,5 12,40 9.98	62,37 2,039. 75	

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

Applicable Not applicable

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

Applicable Not applicable

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

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

Other notes:

12. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss for the current period		
Specifically, Beijing Guangmeng Semiconductor Industry Investment Center (LP)	438,354,009.38	234,000,000.00
Ningbo Dongxin Guohong Enterprise Management Partnership (LP)	135,287,192.72	146,819,640.04
Nantong Jinxin Haohua Investment Center (LP)	16,475,123.26	17,898,716.01
United Nova Technology Co.,Ltd.	15,730,802.52	

Jiangsu Applied Power Microelectronics Co., Ltd.	15,000,000.00	15,000,000.00
Chengdu Senmi Technology Consulting Partnership (LP)	13,728,138.00	13,728,138.00
Dalian Jiafeng Automation Co., Ltd.	10,000,000.00	10,000,000.00
Hainan Huoyan Xihe Equity Investment Private Equity Fund Partnership (LP)	5,000,000.00	5,000,000.00
Total	649,575,265.88	442,446,494.05

Other notes:

13. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	3,480,422,021.32	2,914,129,006.48
Total	3,480,422,021.32	2,914,129,006.48

(1) List of fixed assets

Unit: RMB

Item	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
I. Original Carrying Amount:					
1. Opening balance	648,824,044.63	40,103,888.46	3,317,572,138.94	17,723,098.49	4,024,223,170.52
2. Increased amount for the current period	234,831,522.22	14,357,932.92	946,927,277.02	5,324,443.09	1,201,441,175.25

(1) Purchase	16,463,150.06	4,971,002.13	2,312,890.96	4,713,807.95	28,460,851.10
(2) Transfer from construction in progress	217,391,100.0 6	3,646,014.76	366,542,986.8 1		587,580,101.6 3
(3) Increase from business combination	977,272.10	5,693,053.85	577,920,185.1 5	610,635.14	585,201,146.2 4
(4) Impact of exchange rate changes		47,862.18	151,214.10		199,076.28
3. Decreased amount for the current period		737,896.74	24,784,830.53	8,318,173.81	33,840,901.08
(1) Disposal or scrap		737,896.74	24,784,830.53	8,318,173.81	33,840,901.08
4. Closing balance	883,655,566.8 5	53,723,924.64	4,239,714,585 .43	14,729,367.77	5,191,823,444 .69
II. Accumulated Depreciation					
1. Opening balance	121,745,370.8 8	22,706,937.79	951,406,940.9 7	10,788,255.81	1,106,647,505 .45
2. Increased amount for the current period	34,603,776.51	8,435,987.17	583,689,237.7 3	2,869,251.85	629,598,253.2 6

(1) Accrual	34,513,952.73	7,274,608.63	473,357,127.1 9	2,792,770.58	517,938,459.1 3
(2) Impact of exchange rate changes	12,456.41	31,133.62	3,933.74		47,523.77
(3) Increase from business combination	77,367.37	1,130,244.92	110,328,176.8 0	76,481.27	111,612,270.3 6
3. Decreased amount for the current period		630,201.71	23,184,948.58	1,029,185.05	24,844,335.34
(1) Disposal or scrap		630,201.71	23,184,948.58	1,029,185.05	24,844,335.34
4. Closing balance	156,349,147.3 9	30,512,723.25	1,511,911,230 .12	12,628,322.61	1,711,401,423 .37
III. Allowance for Impairment					
1. Opening balance			3,446,658.59		3,446,658.59
2. Increased amount for the current period					
(1) Accrual					
3. Decreased			3,446,658.59		3,446,658.59

amount for the current period					
(1) Disposal or scrap			3,446,658.59		3,446,658.59
4. Closing balance					
IV. Carrying Amount					
1. Closing carrying amount	727,306,419.46	23,211,201.39	2,727,803,355.31	2,101,045.16	3,480,422,021.32
2. Opening carrying amount	527,078,673.75	17,396,950.67	2,362,718,539.38	6,934,842.68	2,914,129,006.48

(2) List of temporarily idle fixed assets

Unit: RMB

Item	Original carrying amount	Accumulated depreciation	Allowance for impairment	Carrying amount	Remarks

(3) Fixed assets leased out by operation lease

Unit: RMB

Item	Closing carrying amount
Special equipment	313,862,858.32

(4) Fixed assets failed to accomplish certification of property

Unit: RMB

Item	Carrying amount	Reason

Factory 5#	224,059,501.77	In processing
Sichuan Yajixin Company crystal pulling IDM civil project	76,356,736.87	In processing
Building 6#, 7#, 8# of new factory	21,605,959.83	In processing due to changes in building construction plan
Factory 2# of Chengdu Qingyang Company	6,688,302.43	The real estate ownership certificate has not been obtained due to the fact that the fire control facilities of the factory have not yet been accepted.
Plant of Jiangsu Runau Company	1,771,525.96	The land of the entrepreneurial park where the entity is located has been mortgaged by the government for loans, which is not released yet. As a result, the entrepreneurial park cannot be used to apply for real estate ownership certificate.
Subtotal	330,482,026.86	

Other notes:

(5) Impairment test of fixed assets

Applicable Not applicable

(6) Proceeds from disposal of fixed assets

Unit: RMB

Item	Closing balance	Opening balance
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Other notes:

14. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
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Construction in progress	720,260,135.67	461,878,389.19
Total	720,260,135.67	461,878,389.19

(1) List of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying balance	Allowance for impairment	Carrying amount	Carrying balance	Allowance for impairment	Carrying amount
Hunan Jiechuwei Company 8" wafer project	495,450,159.48		495,450,159.48			
Other production expansion and line upgrade projects	100,379,494.21		100,379,494.21	91,138,938.60		91,138,938.60
Wafer project phase II	56,978,178.90		56,978,178.90	210,665,955.23		210,665,955.23
Silicon carbide project	20,545,726.01		20,545,726.01			
SKY and MOS production expansion projects	6,919,469.06		6,919,469.06	63,745,290.43		63,745,290.43
Production base construction project in Vietnam	464,391.46		464,391.46			
Semicondu	238,310.85		238,310.85	2,940,887.5		2,940,887.5

ctor monocrysta lline material capacity expansion project phase I				6		6
Packaging and testing project of ultra-thin micropower semiconduc tor chips for intelligent terminals				44,622,624. 35		44,622,624. 35
SMT workshop production expansion project				15,667,999. 90		15,667,999. 90
Other equipment installation projects	22,548,873. 67		22,548,873. 67	2,869,707.6 0		2,869,707.6 0
Other fragmentar y projects	16,735,532. 03		16,735,532. 03	30,226,985. 52		30,226,985. 52
Total	720,260,13 5.67		720,260,13 5.67	461,878,38 9.19		461,878,38 9.19

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

Unit: RMB

Items	Budge t	Openi ng balanc e	Increa sed amount for the curren t period	Amou nt of fixed assets transf ered- in for the curren t	Other decrea sed amou nt for the curren t	Closin g balanc e	Propo rion of accum ulated invest ment in constr	Const ructio n progre ss	Accu mulat ed amou nt of capita lized intere	Of which : Amou nt of capita lized intere sts for	Capita lizatio n rate of intere sts for the curren t	Fund source

				t period	period		uction s to budge t		st	the curren t period	period	
Hunan Jiechuwei Company 8" wafer project	590,000,000.00		561,517,800.83	66,067,641.35		495,450,159.48	95.17%	96%				Others
Other production expansion and line upgrade projects	500,000,000.00	91,138,938.60	111,868,552.28	102,627,996.67		100,379,494.21	97.80%	98%				Others
Wafer project phase II	300,000,000.00	210,665,955.23	61,429,219.92	215,116,996.25		56,978,178.90	98.05%	98%				Others
Silicon carbide project	640,000,000.00		20,545,726.01			20,545,726.01	3.21%	3%				Others
SKY and MOS production expansion projects	509,000,000.00	63,745,290.43	13,523,254.46	70,349,075.83		6,919,469.06	80.22%	80%				Others
Production base construction project in Vietnam	619,690,000.00		464,391.46			464,391.46	0.07%	0.07%				Others

m												
Semiconductor monocrystalline material capacity expansion project phase I	365,000,000.00	2,940,887.56	9,350,174.26	12,052,750.97		238,310.85	41.83%	42%				Others
Packaging and testing project of ultra-thin micro power semiconductor chips for intelligent terminals	1,380,000,000.00	44,622,624.35		44,622,624.35			98.21%	100%				Raised funds
SMT workshop production expansion project	310,000,000.00	15,667,999.90		15,667,999.90			100.90%	100%				Others
Total	5,213,690,000.00	428,781,696.07	778,699,119.22	526,505,085.32		680,975,729.97						

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

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance	Reason for accrual
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Other notes:

(4) Impairment test of constructions in progress

Applicable Not applicable

(5) Engineering materials

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying balance	Allowance for impairment	Carrying amount	Carrying balance	Allowance for impairment	Carrying amount

Other notes:

15. Right-of-use assets

(1) List of right-of-use assets

Unit: RMB

Item	Buildings and structures	Special equipment	Total
I. Original Carrying Amount			
1. Opening balance	10,411,104.67		10,411,104.67
2. Increased amount for the current period	140,229,722.62	28,603,538.46	168,833,261.08
1) Rent	1,704,176.44		1,704,176.44
2) Increase from business combination	138,525,546.18	28,603,538.46	167,129,084.64
3. Decreased amount for the current			

period			
4. Closing balance	150,640,827.29	28,603,538.46	179,244,365.75
II. Accumulated Depreciation			
1. Opening balance	2,976,351.73		2,976,351.73
2. Increased amount for the current period	54,506,174.37	3,945,315.63	58,451,490.00
(1) Accrual	15,545,864.56	2,958,986.71	18,504,851.27
2) Increase from business combination	38,960,309.81	986,328.92	39,946,638.73
3. Decreased amount for the current period			
(1) Disposal			
4. Closing balance	57,482,526.10	3,945,315.63	61,427,841.73
III. Allowance for Impairment			
1. Opening balance			
2. Increased amount for the current period			
(1) Accrual			

3. Decreased amount for the current period			
(1) Disposal			
4. Closing balance			
IV. Carrying Amount			
1. Closing carrying amount	93,158,301.19	24,658,222.83	117,816,524.02
2. Opening carrying amount	7,434,752.94		7,434,752.94

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

Applicable Not applicable

Other notes:

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

Unit: RMB

Item	Land use right	Patent right	Non-patent technologies	Software	Proprietary technology	Total
I. Original Carrying Amount						
1. Opening balance	110,723,627.18			42,855,166.43	15,900,000.00	169,478,793.61
2. Increased amount for the current period	86,138,800.56			7,498,004.50		93,636,805.06

(1)) Purchase	86,138,800. 56			5,332,868.4 2		91,471,668. 98
(2)) Internal R&D						
(3)) Increase from business combinatio n				2,165,136.0 8		2,165,136.0 8
3. Decreased amount for the current period						
(1)) Disposal						
4. Closing balance	196,862,42 7.74			50,353,170. 93	15,900,000. 00	263,115,59 8.67
II. Accumulate d Amortizatio n						
1. Opening balance	16,172,901. 86			18,870,446. 62	4,680,000.0 0	39,723,348. 48
2. Increased amount for the current period	3,367,204.0 2			7,406,013.7 3	1,090,000.0 0	11,863,217. 75

(1)) Accrual	3,367,204.0 2			7,178,809.6 9	1,090,000.0 0	11,636,013. 71
2) Increase from business combination				227,204.04		227,204.04
3. Decreased amount for the current period				4,841.23		4,841.23
(1)) Disposal						
2) Changes in exchange rate				4,841.23		4,841.23
4. Closing balance	19,540,105. 88			26,271,619. 12	5,770,000.0 0	51,581,725. 00
III. Allowance for Impairment						
1. Opening balance						
2. Increased amount for the current period						
(1)) Accrual						
3. Decreased						

amount for the current period						
(1)) Disposal						
4. Closing balance						
IV. Carrying Amount						
1. Closing carrying amount	177,322,321.86			24,081,551.81	10,130,000.00	211,533,873.67
2. Opening carrying amount	94,550,725.32			23,984,719.81	11,220,000.00	129,755,445.13

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

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

Unit: RMB

Item	Carrying amount	Reason

Other notes:

(3) Impairment test of intangible assets

Applicable Not applicable

17. Goodwill

(1) Original carrying value of goodwill

Unit: RMB

Investees or events resulting in goodwill	Opening balance	Increase for the current period		Decrease for the current period		Closing balance
		Formed by business combination		Disposal		
Hunan Jiechuwei Company		151,444,997.06				151,444,997.06
Caswell	102,553,622.99					102,553,622.99
Chengdu Qingyang Company	37,844,782.13					37,844,782.13
Sichuan Yajixin Company	20,352,886.90					20,352,886.90
Jiangsu Runau Company	4,462,624.51					4,462,624.51
Shanghai Xinyang Company	1,944,739.19					1,944,739.19
Shanghai Lingxin Company	1,292,281.31					1,292,281.31
MCC Shenzhen	343,177.48					343,177.48
Total	168,794,114.51	151,444,997.06				320,239,111.57

(2) Allowance for impairment of goodwill

Unit: RMB

Investees or events	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
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resulting in goodwill		Withdrawal		Disposal		
Shanghai Xinyang Company	1,944,739.19					1,944,739.19
Chengdu Qingyang Company	2,727,831.48					2,727,831.48
Jiangsu Runau Company	457,208.41	475,867.85				933,076.26
Hunan Jiechuwei Company		782,394.86				782,394.86
Total	5,129,779.08	1,258,262.71				6,388,041.79

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

Name	Composition and basis of asset group or asset group portfolios to which it belongs	Operating segments and basis to which it belongs	Whether it is consistent with previous years
MCC Hong Kong, Caswell Company and its subsidiaries, MCC Shenzhen	The cash flows generated are independent of other assets or asset groups.	Managed by business type	Yes
Chengdu Qingyang Company, Sichuan Yajixin Company	The cash flows generated are independent of other assets or asset groups.	Managed by business type	Yes
Hunan Jiechuwei Company	The cash flows generated are independent of other assets or asset groups.	Managed by business type	Yes

Changes of asset group or asset group portfolios

Name	Composition before changes	Composition after changes	Objective facts and basis for changes
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Other remarks

The deferred tax liabilities are recognized based on the future income tax consequences arising from the assets appraisal appreciation due to business combination involving entities not under common control, and the amount of goodwill recognized is adjusted. In the current period, impairment allowance of goodwill of RMB1,258,262.71 is made based on the deferred tax liabilities reversed attributable to the parent company.

(4) Specific method of determining the recoverable amount

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Item	Carrying amount	Recoverable amount	Impairment amount	Forecast period (years)	Key parameters of forecast period	Key parameters of stable period	Basis for determining the key parameters of stable period
Hunan Jiechuwei Company	1,051,821,013.55	1,073,000,000.00		Five years	Revenue growth rate: 12.52% Gross profit rate: 21.63% Determined based on historical experience and market development	Revenue growth rate: 0 Gross profit rate: 29.87% Determined based on historical experience and market development	Discount rate: 10.92% Determined based on historical experience and market development
MCC Hong Kong, Caswell Company	371,437,331.14	420,971,580.09		Five years	Revenue growth rate: 0 Gross	Revenue growth rate: 0 Gross	Discount rate: 12% Determined based

and its subsidiaries, MCC Shenzhen					profit rate: 20.00% Determined based on historical experience and market development	profit rate: 20.00% Determined based on historical experience and market development	on historical experience and market development
Chengdu Qingyang Company, Sichuan Yajixin Company	546,756,298.75	567,000,000.00		Five years	Revenue growth rate: 9.47% Gross profit rate: 23.79% Determined based on historical experience and market development	Revenue growth rate: 0 Gross profit rate: 26.90% Determined based on historical experience and market development	Discount rate: 10.10% Determined based on historical experience and market development
Total	1,970,014,643.44	2,060,971,580.09					

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

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

(5) Completion of business commitments and corresponding goodwill impairment

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

Applicable Not applicable

Other notes:

18. Long-term prepayments

Unit: RMB

Item	Opening balance	Increased amount for the current period	Amortization amount of the current period	Other decreased amount	Closing balance
Decoration and repair fees	98,598,854.20	86,492,681.36	67,223,995.56		117,867,540.00
Total	98,598,854.20	86,492,681.36	67,223,995.56		117,867,540.00

Other notes:

19. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets had not been off-set

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Allowance for impairment of assets	174,620,574.64	27,682,738.79	122,581,176.29	19,029,094.05
Internal unrealized profit	25,019,303.73	3,752,895.56	46,469,831.43	6,970,474.71
Deductible losses	180,854,523.25	27,128,178.49	68,862,060.64	10,957,298.69
Equity incentive fees	8,130,750.00	1,219,612.50	31,260,734.25	4,689,110.14
Deferred income	180,050,212.57	27,007,531.89	4,289,334.11	643,400.12

Lease liabilities	3,332,949.02	542,874.10		
Total	572,008,313.21	87,333,831.33	273,463,136.72	42,289,377.71

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

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Estimated added value of assets not under the same control	42,827,057.27	6,424,058.59	10,008,886.73	1,501,333.01
Extra deduction of depreciation of fixed assets	1,372,944,701.87	205,941,705.28	1,160,231,375.19	174,034,706.28
Net profit achieved by MCC Hong Kong	397,471,558.00	59,620,733.70	333,549,192.73	50,032,378.91
Changes in fair value of other non-current financial assets	221,530,583.38	33,229,587.51	32,008,578.29	4,801,286.74
Right-of-use assets	4,743,115.99	753,724.77		
Total	2,039,517,016.51	305,969,809.85	1,535,798,032.94	230,369,704.94

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

Unit: RMB

Item	Closing deferred tax assets offset by deferred tax liabilities	Closing balance of deferred tax assets or deferred tax liabilities	Opening deferred tax assets offset by deferred tax liabilities	Opening balance of deferred tax assets/liabilities after offset
Deferred tax	73,102,333.97	14,231,497.36	33,620,236.37	8,669,141.34

assets				
Deferred tax liabilities	73,102,333.97	232,867,475.88	33,620,236.37	196,749,468.57

(4) List of unrecognized deferred tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	10,181,721.03	21,863,719.13
Deductible losses	97,661,647.79	64,101,245.52
Total	107,843,368.82	85,964,964.65

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

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2023		1,624,036.53	
2024	446,993.41	446,993.41	
2025	185,436.86	185,436.86	
2026	2,160,595.67	2,160,595.67	
2027	58,237,582.96	59,684,183.05	
2028	36,631,038.89		
Total	97,661,647.79	64,101,245.52	

Other notes:

20. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying	Allowance for	Carrying	Carrying	Allowance for	Carrying

	balance	impairment	amount	balance	impairment	amount
Capacity deposit	319,316,56 3.00		319,316,56 3.00	319,316,56 3.00		319,316,56 3.00
Prepayment for engineering equipment	61,129,132. 65		61,129,132. 65	10,237,651. 72		10,237,651. 72
Total	380,445,69 5.65		380,445,69 5.65	329,554,21 4.72		329,554,21 4.72

Other notes:

21. Assets with title or use right restrictions

Unit: RMB

Item	Closing				Opening			
	Carrying balance	Carrying amount	Restriction type	List of restrictions	Carrying balance	Carrying amount	Restriction type	List of restrictions
Monetary assets	6,567,01 1.77	6,567,01 1.77	Blocked	Litigation blocked claims	27,867,7 66.13	27,867,7 66.13	Deposits	Notes and letters of credit deposits
Fixed assets	155,804, 607.91	94,519,9 55.53	Mortgage	Mortgaged for borrowings	155,804, 607.91	103,547, 859.95	Mortgage	Mortgaged for borrowings
Intangible assets	47,113,4 04.30	41,109,8 37.78	Mortgage	Mortgaged for borrowings	47,113,4 04.30	41,824,2 23.18	Mortgage	Mortgaged for borrowings
Receivables financing					50,552,9 96.73	50,552,9 96.73	Pledge	Pledge for notes payable.
Monetary assets	581,474. 92	581,474. 92	Deposits	Deposits for letters of credit				

Total	210,066,498.90	142,778,280.00			281,338,775.07	223,792,845.99		
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Other notes:

22. Short-term borrowings

(1) Category of short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings		50,000,000.00
Mortgaged borrowings	28,089,888.89	29,103,444.45
Credit borrowings	495,360,033.26	194,018,096.55
Factoring financing	30,518,986.30	
Total	553,968,908.45	273,121,541.00

Notes of the category for short-term loans:

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

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

Unit: RMB

Entity	Closing balance	Interest rate	Overdue time	Overdue charge rate

Other notes:

23. Notes payable

Unit: RMB

Categories	Closing balance	Opening balance
Bank acceptance receivable	239,394,631.11	404,856,318.95
Cheque		10,219.50

Total	239,394,631.11	404,866,538.45
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The total amount of notes payable due but unpaid was RMBXXX, reason for failed payment is XXX.

24. Accounts payable

(1) List of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Payments for materials	939,383,310.76	749,020,884.08
Payments for engineering equipment	248,705,570.44	296,366,789.32
Total	1,188,088,881.20	1,045,387,673.40

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

Unit: RMB

Item	Closing balance	Unpaid/Un-carry-over reason

Other notes:

25. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Other payables	50,397,974.95	32,643,884.26
Total	50,397,974.95	32,643,884.26

(1) Other payables

1) Other payables listed by nature of account

Unit: RMB

Item	Closing balance	Opening balance
Accrued expenses	21,701,550.16	25,556,301.03
Guarantee deposits	21,462,741.17	3,136,775.27

Temporary receipts payable	5,785,183.62	2,502,307.96
Payables for equity acquisition	1,448,500.00	1,448,500.00
Total	50,397,974.95	32,643,884.26

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

Unit: RMB

Item	Closing balance	Unpaid/Un-carry-over reason
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3) Top 5 of the closing balance of other accounts payable collected according to the counter party

Other notes:

26. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Payments for goods	35,088,567.84	37,431,854.37
Total	35,088,567.84	37,431,854.37

Significant contract liabilities aged over one year

Unit: RMB

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

Unit: RMB

Item	Change in amount	Reason(s)
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27. Employee payroll payable

(1) List of payroll payable

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
I. Short-term	143,987,542.57	891,436,945.27	871,113,054.62	164,311,433.22

Salary				
II. Termination Benefit - Defined Contribution Plans	450,808.43	41,028,480.77	41,186,947.40	292,341.80
Total	144,438,351.00	932,465,426.04	912,300,002.02	164,603,775.02

(2) List of short-term salary

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
1. Salary, bonus, allowance, subsidy	138,768,424.16	800,056,195.95	793,204,528.67	145,620,091.44
2. Employee welfare		14,819,570.43	14,819,570.43	
3. Social insurance	294,358.51	20,517,400.85	20,690,412.52	121,346.84
Including: Medicare premium	254,626.40	18,604,597.77	18,752,420.94	106,803.23
Occupational injuries premium	32,611.74	1,009,026.79	1,037,502.26	4,136.27
Maternity premium	7,120.37	903,776.29	900,489.32	10,407.34
4. Housing provident fund	37,019.00	18,299,990.91	18,287,231.91	49,778.00
5. Labor union budget and employee education budget	4,887,740.90	37,743,787.13	24,111,311.09	18,520,216.94
Total	143,987,542.57	891,436,945.27	871,113,054.62	164,311,433.22

(3) List of defined contribution plans

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
1. Basic pension insurance	430,152.41	39,752,865.30	39,900,618.67	282,399.04
2. Unemployment insurance premiums	20,656.02	1,275,615.47	1,286,328.73	9,942.76
Total	450,808.43	41,028,480.77	41,186,947.40	292,341.80

Other notes:

28. Taxes and rates payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	3,687,589.09	5,548,536.19
Enterprise income tax	15,766,470.40	9,809,162.29
Individual income tax	2,579,338.89	2,188,321.08
Urban maintenance and construction tax	866,021.44	1,088,562.34
Property tax	1,615,059.91	1,167,589.93
Land use tax	298,301.80	306,664.43
Education surcharge	385,212.19	472,432.51
Local education surcharge	256,808.13	308,719.34
Stamp duty and others	1,692,552.70	939,646.73
Total	27,147,354.55	21,829,634.84

Other notes:

29. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	401,131,506.85	100,075,000.00
Lease liabilities due within one year	44,189,680.79	2,337,112.30
Total	445,321,187.64	102,412,112.30

Other notes:

30. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output VAT to be recognized	3,594,982.83	2,394,362.02
Total	3,594,982.83	2,394,362.02

Increase/Decrease of the short-term bonds payable:

Unit: RMB

Bond name	Par value	Nominal interest rate	Issue date	Bond duration	Issue amount	Opening balance	Issued in the current period	Interest accrued at par value	Amortization of premium and depreciation	Repaid in the current period		Closing balance	Default or not
Total													

Other notes:

31. Long-term borrowings

(1) Category of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings	48,556,326.10	
Mortgaged borrowings	346,539,452.05	400,283,333.33
Total	395,095,778.15	400,283,333.33

Note to the category of long-term borrowings:

Other notes, including interest rate range:

32. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities	117,008,279.41	5,302,963.08
Less: Unrecognized financing expenses of lease liabilities	-15,790,975.46	-439,848.52
Total	101,217,303.95	4,863,114.56

Other notes:

33. Deferred income

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance	Reasons for occurrence
Government grants	159,516,602.26	56,869,600.00	32,255,734.66	184,130,467.60	Related to assets

Total	159,516,602.26	56,869,600.00	32,255,734.66	184,130,467.60	
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Other notes:

34. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Capacity deposit received in advance	319,316,563.00	319,316,563.00
Total	319,316,563.00	319,316,563.00

Other notes:

35. Share capital

Unit: RMB

	Opening balance	Increase/Decrease (+/-)					Closing balance
		Issue of new shares	Bonus shares	Provident fund transferred to shares	Others	Subtotal	
Total shares	512,772,787.00	28,679,000.00			1,563,200.00	30,242,200.00	543,014,987.00

Other notes:

(1) Upon approval of the Reply on the Approval of the Initial Public Offering of Global Depositary Receipts and Listing on the SIX Swiss Exchange by Yangzhou Yangjie Electronic Technology Co., Ltd.) (ZH.J.X.K. [2023] No. 606) by the China Securities Regulatory Commission (CSRC), and approval by the SIX Exchange Regulation AG, the Global Depositary Receipts (hereinafter referred to as “GDRs”) issued by the Company were listed on the SIX Swiss Exchange on April 18, 2023. The total number of GDRs issued this time was 14,339,500, corresponding to an increase of 28,679,000 shares of the Company's A-shares as underlying securities. The issue price of GDR was USD15.00 per unit, and the total amount of funds raised was USD215,092,500. After deducting issuance expenses, the net amount of raised funds was equivalent to RMB1,457,624,604.95, of which RMB28,679,000.00 was included in the share capital and RMB1,428,945,604.95 was included in the capital reserve (share premium). The Company completed the change of business registration information on November 21, 2023. The aforesaid capital alteration was verified by

Pan-China Certified Public Accountants LLP, and a Capital Verification Report (T.J.Y. [2024] No.45) was issued thereon.

(2) Pursuant to the resolutions of the 10th meeting of the Fourth Board of Directors, the 12th meeting of the Fourth Board of Directors, and the 5th meeting of the Fifth Board of Directors, and the first extraordinary shareholders' meeting of 2021, the vesting conditions for the first vesting period of Class II restricted shares granted to incentive objects in September 2021 by the Company have been achieved. Eventually, there were 519 objects eligible to the vesting conditions including Shen Lianjie. The number of attributable Class II restricted shares was 1,564,200, and finally 518 incentive objects subscribed for 1,563,200 shares of the Class II restricted shares. The Company issued 1,563,200 RMB ordinary shares (A shares) to the incentive objects at a granted price of RMB24.18 per share. A total of RMB37,798,176.00 was raised, of which RMB1,563,200.00 was included in the share capital and RMB36,234,976.00 in the capital reserve (share premium). The aforesaid capital alteration was verified by Pan-China Certified Public Accountants LLP, and a Capital Verification Report (T.J.Y. [2024] No.1) was issued thereon.

36. Capital reserve

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
Capital premium (share premium)	2,514,305,774.98	1,489,348,464.05	2,686,795.83	4,000,967,443.20
Other capital reserve	70,284,468.76	12,271,837.59	24,167,883.10	58,388,423.25
Total	2,584,590,243.74	1,501,620,301.64	26,854,678.93	4,059,355,866.45

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

(1) The Company issued GDR and employee equity incentive exercise in the current period to increase capital reserve (share premium) by RMB1,465,180,580.95. See the notes about capital shares to this financial statement for details.

(2) The Company implements equity-settled share-based payment. In the current period, employee services in exchange for equity-settled share-based payment totaled RMB11,557,677.25, and other capital reserve was increased accordingly.

(3) The conditions for unlocking the second vesting period of the Company's Phase III equity incentive have been achieved, and the corresponding other capital reserves of RM24,167,883.10 were transferred to the capital reserve (share premium).

(4) During the current period, when the Company unlocked the Class II restricted shares, other capital reserve of RMB714,160.34 was increased in accordance with the stipulations on cost expenses of the China Accounting Standards for Business Enterprises and the regulations on the impact of the difference in the amount of allowable pre-tax deductions for expenditures related to share payments of tax laws.

(5) The Company acquired 39.18% equity of minority shareholders of Jiangsu Runau Company, and the difference between the consideration paid and the share of net assets of the subsidiary based on new proportion of shareholding since the acquisition date is RMB2,686,795.83, reducing the capital reserve in the consolidated financial statements.

37. Treasury shares

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
Repurchased public shares of the Company		59,962,257.01		59,962,257.01
Total		59,962,257.01		59,962,257.01

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

The Company repurchased 1,668,500 shares of the Company's public shares through centralized bidding trading in the current period, resulting in a corresponding increase in treasury shares of RMB59,962,257.01.

38. Other comprehensive income

Unit: RMB

Item	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in the current period	Less: recorded in other comprehensive income in prior period and transferred in retained earnings in the current period	Less: Income tax	Attributable to parent company	Attributable minority shareholders after tax	
II. Other Comprehensive	28,166,283.84	- 5,204,433.13				- 5,204,433.13		22,961,850.71

Income That May Subsequently Be Reclassified to Profit or Loss								
Differences arising from translation of foreign currency - denominated financial statements	28,166,283.84	- 5,204,433.13				- 5,204,433.13		22,961,850.71
Total other comprehensive income	28,166,283.84	- 5,204,433.13				- 5,204,433.13		22,961,850.71

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

39. Surplus reserve

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
Statutory surplus reserve	256,386,393.50	15,121,100.00		271,507,493.50
Total	256,386,393.50	15,121,100.00		271,507,493.50

Notes, including changes and reason for change:

In the current period, the statutory surplus reserve increased by RMB15,121,100.00, and was the Company's supplementary provision of surplus reserves to 50% of the share capital.

40. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Closing balance of retained profits in the previous period before adjustments	2,771,489,902.27	1,900,563,877.06
Opening balance of retained profits after adjustments	2,771,489,902.27	1,900,563,877.06
Add: Net profit attributable to owners of the parent company	923,926,332.30	1,060,145,500.75
Less: Appropriation of statutory surplus reserve	15,121,100.00	76,771,010.40
Dividend payable on ordinary shares	270,725,893.50	112,448,465.14
Closing retained profits	3,409,569,241.07	2,771,489,902.27

List of adjustment of opening retained profits:

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

41. Operating revenue and operating cost

Unit: RMB

Item	Current period cumulative		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Principal business	5,285,839,803.15	3,730,857,754.16	5,351,255,110.67	3,429,491,920.75

Other business	123,995,149.23	41,736,312.72	52,276,922.67	12,865,492.59
Total	5,409,834,952.38	3,772,594,066.88	5,403,532,033.34	3,442,357,413.34

Whether the lower of the net profit before and after deduction of non-recurring gains and losses through audit is negative

Yes No

Breakdown of operating revenue and operating cost

Unit: RMB

Category of contracts	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business type	5,393,074,775.05	3,755,833,889.55					5,393,074,775.05	3,755,833,889.55
Of which:								
Semiconductor components	4,624,471,616.19	3,220,494,851.39					4,624,471,616.19	3,220,494,851.39
Semiconductor chips	488,150,926.86	374,276,334.84					488,150,926.86	374,276,334.84
Semiconductor silicon wafers	173,217,260.10	136,086,567.93					173,217,260.10	136,086,567.93
Others	107,234,971.90	24,976,135.39					107,234,971.90	24,976,135.39
Classification by operating region	5,393,074,775.05	3,755,833,889.55					5,393,074,775.05	3,755,833,889.55
Of which:								
Domestic	4,177,882,827.27	3,049,620,515.31					4,177,882,827.27	3,049,620,515.31
Overseas	1,215,191	706,213,3					1,215,191	706,213,3

	,947.78	74.24					,947.78	74.24
Market or customer type								
Of which:								
Contract type								
Of which:								
Classification by time of commodity transfer	5,393,074,775.05	5,401,208,809.00					5,393,074,775.05	5,401,208,809.00
Of which:								
Recognized at a point in time	5,393,074,775.05	5,401,208,809.00					5,393,074,775.05	5,401,208,809.00
Classification by contract term								
Of which:								
Classification by sales channel								
Of which:								

Total	5,393,074 ,775.05	3,755,833 ,889.55					5,393,074 ,775.05	3,755,833 ,889.55
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Information about performance obligations:

Item	Time to perform the performance obligations	Significant payment terms	Nature of the goods that the Company commits to transfer	Whether it is the principal person in charge	Payment borne by the Company that is expected to be refunded to the customers	Quality assurance types and related obligations provided by the Company

Other remarks

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

At the end of the reporting period, the revenue corresponding to the performance obligations that have been contracted but have not been performed or completed is RMB1,302,486,617.51, of which RMB1,246,694,415.93 is expected to be recognized in fiscal 2024, and RMB55,792,201.58 in 2025, and RMB0.00 in 2026.

Variable consideration in the contract:

Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting treatment method	Amount of impact on revenue

Other notes:

42. Taxes and surcharges

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Urban maintenance and construction tax	14,391,440.66	3,534,772.35
Education surcharge	6,334,739.67	1,588,095.64
Property tax	7,690,028.07	5,186,801.04

Land use tax	1,409,902.23	1,424,987.25
Local education surcharge	4,230,471.96	966,228.84
Stamp duty and others	5,418,230.40	3,247,160.45
Total	39,474,812.99	15,948,045.57

Other notes:

43. Administrative expenses

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Employee benefits	182,162,763.81	150,197,341.67
Depreciation and amortization	77,934,303.73	43,432,216.97
Office expenses	23,490,101.94	20,024,151.65
Intermediary service fees	15,293,710.97	16,712,047.21
Equity-settled share-based payments	4,643,967.91	18,140,273.81
Business entertainment expenses	4,148,641.46	5,100,157.95
Business travelling expenses	2,752,045.88	1,175,089.23
Others	22,626,859.77	16,430,454.16
Total	333,052,395.47	271,211,732.65

Other notes:

44. Selling expenses

Unit: RMB

Item	Current period cumulative	Amount for the previous period
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Employee benefits	150,352,850.22	122,681,546.60
Business travelling expenses	13,717,591.96	6,790,266.21
Business entertainment expenses	9,665,425.01	6,983,734.42
Business consultation expenses	8,016,611.16	3,025,293.05
Advertising and publicity fees	7,378,053.82	7,350,534.21
Office expenses	6,063,984.25	5,749,793.14
Depreciation and amortization	5,385,909.01	4,425,617.82
Equity-settled share-based payments	2,896,696.59	13,209,422.49
Others	4,591,769.11	693,667.68
Total	208,068,891.13	170,909,875.62

Other notes:

45. R&D expenses

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Employee benefits	157,286,290.56	123,377,200.10
Direct inputs	149,516,819.50	122,311,943.56
Depreciation and amortization	19,758,401.05	15,214,450.83
Consultant certification fees	5,630,374.44	1,531,839.62
Equity-settled share-based payments	2,216,936.02	10,807,640.22
Commissioned R&D expenses	325,723.20	1,327,194.87
Others	21,116,484.49	18,133,610.78

Total	355,851,029.26	292,703,879.98
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Other notes:

46. Financial expenses

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Interest income	-103,196,914.52	-19,269,161.96
Gains or losses on foreign exchange	-56,146,487.43	-11,503,170.81
Interest expenditures	30,560,931.51	16,893,626.22
Unrecognized financing expenses	4,946,828.19	324,942.20
Others	2,256,635.56	2,865,179.09
Total	-121,579,006.69	-10,688,585.26

Other notes:

47. Other income

Unit: RMB

Sources	Current period cumulative	Amount for the previous period
Government grants related to assets	32,255,734.66	24,276,590.65
Additional value-added tax credit	23,362,421.73	
Government grants related to income	17,883,638.09	7,025,307.09
Refund of handling fees for withholding individual income	338,886.09	508,460.06

tax		
Total	73,840,680.57	31,810,357.80

48. Gains on changes in fair value

Unit: RMB

Sources	Current period cumulative	Amount for the previous period
Held-for-trading financial liabilities		5,615,370.00
Equity instrument investments		
Including: Gains on changes in fair value arising from financial assets designated as at fair value through profit or loss	185,923,823.82	36,383,212.84
Total	185,923,823.82	41,998,582.84

Other notes:

49. Investment income

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Investment income from long-term equity investments under equity method	-3,038,752.59	-11,557,515.50
Investment income from disposal of long-term equity investments	17,060,005.19	
Investment income from disposal of debt investments	6,269,121.12	28,712,652.67
Interest income from discounted notes	-4,754,535.62	-3,208,579.41

Investment income from other non-current financial assets		3,172,883.12
Gains from re-measurement of original equity at fair value when obtaining right of control of a associate.	35,107,584.83	
Total	50,643,422.93	17,119,440.88

Other notes:

50. Credit impairment loss

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Loss on bad debts from notes receivable	-677,008.08	
Loss on bad debts from receivables	-17,376,335.54	-10,557,350.61
Loss on bad debts from other receivables	-959,738.87	6,353,330.50
Total	-19,013,082.49	-4,204,020.11

Other notes:

51. Assets impairment loss

Unit: RMB

Item	Current period cumulative	Amount for the previous period
I. Inventory Falling Price Loss and Impairment Provision for Contract Performance Costs	-59,828,841.89	-45,533,613.44
X. Impairment Loss of Goodwill	-1,258,262.71	-114,978.61

XI. Impairment Loss of Contract Assets	-84,715.34	
Total	-61,171,819.94	-45,648,592.05

Other notes:

52. Gains on asset disposal

Unit: RMB

Sources	Current period cumulative	Amount for the previous period
Gains on disposal of fixed assets	1,492,354.95	336,233.31
Total	1,492,354.95	336,233.31

53. Non-operating revenue

Unit: RMB

Item	Current period cumulative	Amount for the previous period	Amount recorded in the current non-recurring profit or loss
Payments that cannot be made	2,365,300.20		2,365,300.20
Quality indemnity	1,319,077.56	3,343,778.41	1,319,077.56
Others	2,315,810.92	2,315,871.32	2,315,810.92
Total	6,000,188.68	5,659,649.73	6,000,188.68

Other notes:

54. Non-operating expenditures

Unit: RMB

Item	Current period cumulative	Amount for the previous period	Amount recorded in the current non-recurring profit or loss
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External donations	13,697,071.57	10,700,950.75	13,697,071.57
Losses on damage or retirement of non-current assets	873,521.92	2,251,700.81	873,521.92
Quality indemnity	2,443,200.07	1,400,440.31	2,443,200.07
Government grants refund		1,500,000.00	
Others	1,718,246.14	1,841,267.39	1,718,246.14
Total	18,732,039.70	17,694,359.26	18,732,039.70

Other notes:

55. Income tax expenses

(1) List of income tax expense

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Current period income tax expenses	95,117,229.52	56,812,929.19
Deferred tax expenses	24,684,109.71	99,948,815.94
Total	119,801,339.23	156,761,745.13

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

Unit: RMB

Item	Current period cumulative
Profit before tax	1,041,356,292.16
Current income tax expense accounted at statutory/applicable tax rate	156,203,443.82
Effect of different tax rate applicable to subsidiaries	3,733,934.35

Effect of prior income tax reconciliation	4,785,364.88
Impact of non-taxable income	-5,266,137.72
Effect of non-deductible costs, expenses and losses	828,453.74
Effect of utilization of deductible losses not previously recognized as deferred tax assets	-775,950.31
Effect of deducible temporary differences or deductible losses not recognized as deferred tax assets in the current period	5,277,665.82
Influence of R&D and deductions	-45,131,467.19
Other adjusted items	146,031.84
Income tax expenses	119,801,339.23

Other notes:

56. Other comprehensive income

Please refer to Note V (i). 38.

57. Items of cash flow statement

(1) Cash related to operating activities

Cash received relating to other operating activities

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Recovery of various deposits	91,625,994.87	57,199,176.41
Government grants	74,753,238.09	93,298,307.09
Interest income	66,944,285.84	19,269,161.96
Others	6,339,074.77	3,327,877.02
Total	239,662,593.57	173,094,522.48

Notes:

Other cash payments related to operating activities

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Cash payment expenditures	170,976,951.98	124,307,469.30
Payments for various deposits	39,820,663.10	52,990,867.52
Total	210,797,615.08	177,298,336.82

Notes:

(2) Cash related to investment activities

Cash received from other investing activities

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Recovery of financial products	239,200,000.00	1,619,211,555.46
Recovery of various deposits	30,292,265.15	20,000,000.00
Insurance claims		39,380,000.00
Others		5,003,831.75
Total	269,492,265.15	1,683,595,387.21

Significant cash received from investing activities

Unit: RMB

Item	Current period cumulative	Amount for the previous period
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Notes:

Cash used relating to other investing activities

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Acquisition of financial products	106,000,000.00	1,249,300,000.00
Deposit payment	15,611,664.24	14,292,846.63
Total	121,611,664.24	1,263,592,846.63

Significant cash used relating to investing activities

Unit: RMB

Item	Current period cumulative	Amount for the previous period
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Notes:

(3) Cash related to financing activities

Cash received related to other financing activities

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Recovery of pledge of time certificate		60,000,000.00
Total		60,000,000.00

Notes:

Cash used relating to other financing activities

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Repurchased public shares of the Company	59,962,257.01	
Acquisition of minority equity	23,505,540.00	

from Jiangsu Runau Company		
Non-public issuance expenses	12,744,551.15	1,337,827.17
Lease expenses	6,736,249.67	2,381,261.41
Current accounts		2,460,000.00
Total	102,948,597.83	6,179,088.58

Notes:

Changes in liabilities from financing activities

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase for the current period		Decrease for the current period		Closing balance
		Changes in cash	Non-cash changes	Changes in cash	Non-cash changes	
Short-term borrowings	273,121,541.00	971,068,005.55	130,000,000.00	820,220,638.10		553,968,908.45
Long-term borrowings (including borrowings due within one year)	500,358,333.33	368,429,925.96	50,000,000.00	122,560,974.29		796,227,285.00
Lease liabilities (including lease liabilities due within one year)	7,200,226.86		149,889,835.74	6,736,249.67	4,946,828.19	145,406,984.74
Total	780,680,101.19	1,339,497,931.51	329,889,835.74	949,517,862.06	4,946,828.19	1,495,603,178.19

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

Item	Relevant facts	Basis for net amount presentation	Financial impact
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(5) Significant activities and financial impacts that do not involve cash inflows and outflows for the current period, but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future

Unit: RMB

Item	Amount in current period	Amount in the same period last year
Amount of endorsed commercial acceptance	1,492,642,328.73	1,482,014,704.34
Including: payments for goods	1,094,568,315.77	1,057,385,661.35
Payments for acquisition of long- term assets	398,074,012.96	424,629,042.99

58. Supplementary information to the cash flow statement**(1) Supplemental information for cash flow statement**

Unit: RMB

Supplementary information	Amount during the current period	Previous period
1. Reconciliation of net profit to net cash flows generated from operating activities		
Net profit	921,554,952.93	1,093,705,219.45
Add: Allowance for asset impairment	80,184,902.43	49,852,612.16
Depreciation of fixed assets, oil and gas assets, productive biological assets	517,938,459.13	327,288,885.96
Depreciation of right-of-use assets	18,504,851.27	2,411,659.49
Amortization of intangible assets	11,636,013.71	9,979,368.86

Amortization of long-term prepayments	67,223,995.56	32,894,197.86
Losses from disposal of fixed assets, intangible assets and other long-lived assets (gains expressed with "-")	-1,492,354.95	-336,233.31
Losses from scrap of fixed assets (gains expressed with "-")	873,521.92	2,251,700.81
Losses from changes in fair value (gains expressed with "-")	-185,923,823.82	-41,998,582.84
Finance costs (gains expressed with "-")	-14,150,519.96	5,715,397.61
Investment loss (gains expressed with "-")	-55,397,958.55	-20,328,020.29
Decrease in deferred tax assets (gains expressed with "-")	-5,562,356.02	-1,906,712.27
Increase in deferred tax liabilities (decrease expressed with "-")	30,246,465.73	101,855,528.21
Decrease in inventory (gains expressed with "-")	52,609,003.74	-261,671,785.48
Decrease in accounts receivable generated from operating activities (gains expressed with "-")	-601,597,779.03	-1,078,802,808.36
Increase in accounts payable used in operating activities (decrease expressed with "-")	50,501,038.51	531,829,226.86
Others	12,271,837.59	45,710,298.75
Net cash flows from	899,420,250.19	798,449,953.47

operating activities		
2. Significant investing and financing activities without involvement of cash receipts and payments		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
3. Net increase/decrease of cash and cash equivalent:		
Cash at the end of the period	3,474,836,947.19	1,429,416,363.84
Less: Opening balance of cash	1,429,416,363.84	1,058,650,806.36
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase of cash and cash equivalents	2,045,420,583.35	370,765,557.48

(2) Net cash paid for acquisition of subsidiaries

Unit: RMB

	Amount
Of which:	
Of which:	
Of which:	

Other notes:

(3) Net cash received from disposal of the subsidiaries

Unit: RMB

	Amount
Of which:	
Of which:	
Of which:	

Other notes:

(4) Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	3,474,836,947.19	1,429,416,363.84
Including: Cash on hand	684.88	46,559.92
Cash in bank on demand for payment	3,474,836,262.31	1,429,369,803.92
III. Closing Balance of Cash and Cash Equivalents	3,474,836,947.19	1,429,416,363.84

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

Unit: RMB

Item	Amount during the current period	Previous period	Reasons for remaining cash and cash equivalents
Bank deposits	1,535,431,048.51		The scope of use of raised funds is limited, and the payment for equity investment projects is not restricted.
Total	1,535,431,048.51		

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

Unit: RMB

Item	Amount during the current period	Previous period	Reasons for not being cash and cash equivalents
Bank deposits	36,252,628.68		Closing provision for interest on large-amount deposit certificates
Bank deposits	6,567,011.77		Litigation blocked claims by the customer
Other monetary assets	581,474.92	27,867,766.13	It is a bank acceptance receivable and deposit for letters of credit, which does not meet the standards of cash and cash equivalents.
Total	43,401,115.37	27,867,766.13	

Other notes:

(7) Notes to other significant activities**59. Note for consolidated statement of changes in equity**

Notes to the name of "Other" of balance of the end of last year adjusted and the amount adjusted:

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

Unit: RMB

Item	Closing balance in foreign currencies	Exchange rate	Ending balance converted to RMB
Monetary assets			2,276,583,194.29
Including: USD	313,015,933.22	7.0827	2,216,997,950.22

EUR	55,182.56	7.8592	433,690.78
HKD	3,530,593.50	0.9622	3,397,137.06
VDN	146,706,077,195.00	0.0003	42,848,459.09
TWD	51,748,253.00	0.2306	11,933,147.14
JPY	5,316,793.00	0.0502	266,972.13
KRW	128,010,757.00	0.0055	705,837.87
Accounts receivable			317,994,291.94
Including: USD	39,330,771.90	7.0827	278,568,058.14
EUR			
HKD	7,724,184.73	0.9622	7,432,210.55
TWD	138,742,511.93	0.2306	31,994,023.25
Long-term borrowings			
Including: USD			
EUR			
HKD			
Accounts payable			42,843,682.11
Including: USD	5,334,110.82	7.0827	37,779,906.70
VDN	14,690,900,000.00	0.0003	4,290,772.68
TWD	1,650,713.00	0.2306	380,654.42
JPY	7,813,680.00	0.0502	392,348.31
Other receivables			711,872.78
Including: KRW	63,240,741.00	0.0055	348,702.81
TWD	1,186,869.00	0.2306	273,691.99

JPY	1,026,738.00	0.0502	51,555.60
VDN	129,840,000.00	0.0003	37,922.38
Other payables			1,327,652.46
Including: VDN	4,000,000,000.00	0.0003	1,168,280.41
KRW	24,302,601.00	0.0055	134,001.99
JPY	497,088.00	0.0502	24,960.28
TWD	1,777.00	0.2306	409.78

Other notes:

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

Applicable Not applicable

Entities	Principal place of operation	Functional currency	Reasons
MCC USA	The USA	USD	Required by local laws.
MCC Taiwan	Taiwan, China	TWD	Required by local laws.
MCC Hong Kong	Hong Kong, China	USD	Required by local laws.
Caswell Company	The British Virgin Islands	USD	Required by local laws.
Yangjie Korea Company	Korea	KRW	Required by local laws.
MCC Germany	Germany	EUR	Required by local laws.
Yangjie Company Japan	Japan	JPY	Required by local laws.
MCC Singapore	Singapore	USD	Required by local laws.
MCC Vietnam	Vietnam	VDN	Required by local laws.

61. Leases**(1) The Company was lessee**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Conditions involving leaseback transactions

(2) The Company was lessor

Operating lease as a lessor

Applicable Not applicable

Unit: RMB

Item	Rental income	Among them: related income from variable lease payments not included in the measurement of lease receivables
Rental income	16,760,177.33	0.00
Total	16,760,177.33	0.00

Finance lease as a lessor

Applicable Not applicable

Undiscounted lease receivables for each of the next five years

Applicable Not applicable

Reconciliation sheet of undiscounted lease receivables to net lease investments

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

Applicable Not applicable

62. Other**VIII. R&D Expenses**

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Employee benefits	157,286,290.56	123,377,200.10
Direct inputs	149,516,819.50	122,311,943.56
Depreciation and amortization	19,758,401.05	15,214,450.83
Commissioned R&D expenses	325,723.20	1,327,194.87
Consultant certification fees	5,630,374.44	1,531,839.62
Equity-settled share-based payments	2,216,936.02	10,807,640.22
Others	21,116,484.49	18,133,610.78
Total	355,851,029.26	292,703,879.98
Including: expensing R&D expenditure	355,851,029.26	292,703,879.98

1. R&D projects eligible for capitalization

Unit: RMB

Item	Opening balance	Increased amount for the current period			Decreased amount for the current period			Closing balance
		Internal R&D expenditure	Others		Recognized as intangible assets	Recorded in the current profit or loss		
Total								

Significant capitalized R&D projects

Item	R&D progress	Estimated completion time	Estimated way of generating economic	Time point at which capitalization	Specific basis for starting capitalization

			benefits	begins	
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Provision for impairment of development expenditure

Unit: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance	Impairment test
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2. Significant outsourcing ongoing research projects

Items	Expected way of generating economic benefits	Judgment criteria and specific basis of capitalization or expensing
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Other notes:

IX. Change of Consolidation Scope

1. Business combination not under the same control

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

Unit: RMB

Acquirers	Equity acquisition date	Equity acquisition cost	Proportion of equity	Equity acquisition method	Acquisition date	Determination basis for acquisition date	Acquiree's income from acquisition date to period end	Acquiree's net profit from acquisition date to period end	Acquiree's cash flow from acquisition date to period end
Hunan Jiechuwei Company	March 31, 2023	650,332,415.17	70.00%	Acquisition	March 31, 2023	The Company completed the registration of industrial and commercial change of	259,771,734.37	-29,297,125.40	-77,072,421.10

						equity on March 31, 2023.			
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Other notes:

[Note] After acquiring 30.00% equity in this current period, the shareholding ratio is 70.00%.

(2) Combination cost and goodwill

Unit: RMB

Combination costs	Hunan Jiechuwei Company
-Cash	293,760,000.00
-Fair value of non-cash assets	
-Fair value of debt issued or assumed	
-Fair value of equity securities issued	
-Fair value of contingent consideration	
-Fair value of equity interests held before the acquisition date	391,680,000.00
--Other	
Total combination costs	685,440,000.00
Less: Share of fair value of net identifiable assets acquired	533,995,002.94
The amount of goodwill/combination cost less than the share in the fair value of identifiable net assets acquired	151,444,997.06

Determination method of the fair value of the combination cost

Contingent considerations and changes thereof

The main formation reason for the large goodwill:

Other notes:

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

Unit: RMB

	Hunan Jiechuwei Company	
	Acquisition- date fair value	Acquisition-date carrying amount
Assets:	1,257,003,962.74	1,217,860,352.21
Monetary assets	131,184,238.10	131,184,238.10
Receivables	34,778,469.07	34,778,469.07
Inventories	44,587,181.67	44,587,181.67
Fixed assets	473,588,875.88	416,459,482.97
Intangible assets		
Construction in progress	428,173,165.68	428,173,165.68
Right-of-use assets	127,182,445.91	127,182,445.91
Other asset projects	17,509,586.43	35,495,368.81
Liabilities:	494,153,958.54	548,282,416.96
Borrowings	179,500,000.00	179,500,000.00
Accounts payable	111,866,195.73	111,866,195.73
Deferred tax liabilities	5,871,541.58	
Notes payable	48,336,700.95	48,336,700.95
Non-current liabilities due within one year	26,157,693.76	26,157,693.76
Lease liabilities	112,134,309.16	112,134,309.16
Deferred income		60,000,000.00

Other liabilities	10,287,517.36	10,287,517.36
Net assets	762,850,004.20	669,577,935.25
Less: Non-controlling interest	228,855,001.26	200,873,380.57
Net assets acquired	533,995,002.94	468,704,554.68

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

Contingent liability of acquiree undertaken in the business combination:

Other notes:

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

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

Yes No

Unit: RMB

Acquir ees	Acquisi tion date of equity held before the acquisit ion date	Acquisi tion proport ion of equity held before the acquisit ion date	Acquisi tion cost of equity held before the acquisit ion date	Acquisi tion method of equity held before the acquisit ion date	Carryin g amount of equity held before the purchas e date on the acquisit ion date	Fair value of equity held before the purchas e date on the acquisit ion date	Gains or losses from re-measur ement of equity held before the acquisit ion date at fair value	Determ ination method and main assump tions for the fair value of equity held before the purchas e date on the acquisit ion date	Amoun t transfer red to invest ment income or retaine d income from other compre hensive income related to the equity held before the acquisit
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									ion date
Hunan Jiechuwei Company	June 14, 2022	40.00%	37,500,000.00	Acquisition	356,572,415.17	391,680,000.00	35,107,584.83	Recognition on the basis of evaluation	

Other notes:

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

(6) Other notes

2. Business combination under the same control

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

Unit: RMB

Combined party	Proportion of the equity	Basis	Combination date	Recognition basis of combination date	Income from the period-begin to the combination date of the acquiree	Net profits from the period-begin to the combination date of the acquiree	Income of the acquiree during the period of comparison	Net profits of the acquiree during the period of comparison

Other notes:

(2) Combination cost

Unit: RMB

Combination costs	
-Cash	

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

Contingent liabilities and changes thereof:

Other notes:

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

Unit: RMB

	Combination date	End of the previous period
Assets:		
Monetary assets		
Receivables		
Inventories		
Fixed assets		
Intangible assets		
Liabilities:		
Borrowings		
Accounts payable		
Net assets		

Less: Non-controlling interest		
Net assets acquired		

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

Other notes:

3. Counter purchase

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

4. Disposal of subsidiary

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

Yes No

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

Yes No

5. Changes in combination scope for other reasons

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

(1) Entities included in the consolidation scope

Entities	Equity acquisition method	Equity acquisition date	Capital contribution	Capital contribution proportion
MCC Singapore	Incorporation	March 2023	USD18,147,500.00	100.00%
Yangjie Company Japan	Incorporation	May 2023	JPY6,000,000.00	100.00%
MCC Vietnam	Incorporation	August 2023	USD18,000,000.00	100.00%

(2). Entities excluded from the consolidation scope

Entities	Equity disposal method	Equity disposal date	Disposal-date net assets	Period beginning to the disposal date Net profit
Jaywin Chip Company	Cancel	November 2023		3,348,596.94
Inner Mongolia Qingyang Company	Cancel	July 2023		22,395.68

6. Others

X. Equity in Other Entities

1. Equity in subsidiaries

(1) Compositions of the Group

Unit: RMB

Subsidiary	Registered capital	Principal place of operation	Place of registration	Business nature	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
J&V Semiconductor	150,000,000.00	Yangzhou	Yangzhou	Electronic components manufacturing industry	98.00%		Incorporation
MCC Hong Kong	60,785,900.00	Hong Kong, China	Hong Kong, China	Investment and import & export trade	100.00%		Incorporation
MCC Shenzhen	10,000,000.00	Shenzhen	Shenzhen	Trade	100.00%		Acquisition
MCC USA	8,277,100.00	The USA	The USA	Import & export trade		100.00%	Acquisition
MCC	7,208,250.	Taiwan,	Taiwan,	Import &		100.00%	Acquisitio

Taiwan	00	China	China	export trade			n
Yixing Jiexin Company	65,000,000.00	Yixing	Yixing	Electronic components manufacturing industry	54.50%		Incorporation
Chengdu Qingyang Company	76,600,000.00	Chengdu	Chengdu	Electronic components manufacturing industry	60.00%		Acquisition
Jiangsu Runau Company	20,000,000.00	Yangzhou	Yangzhou	Electronic components manufacturing industry		100.00%	Acquisition
Sichuan Yajixin Company	60,000,000.00	Ya'an	Ya'an	Electronic components manufacturing industry		60.00%	Acquisition
Hunan Jiechuwei Company	720,000,000.00	Changsha	Changsha	Electronic components manufacturing industry	70.00%		Acquisition
Yangzhou Jieguan Company	500,000,000.00	Yangzhou	Yangzhou	Electronic components manufacturing industry	90.00%		Incorporation

Unit: RMB

Notes of shareholding percentage in subsidiaries different from voting percentage:

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

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

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

Other notes:

(2) Significant non-wholly-owned subsidiaries

Unit: RMB

Subsidiary	Holding proportion of non-controlling shareholders	Non-controlling shareholders' profit or loss	Dividend declared to non-controlling shareholders	Closing balance of non-controlling interest
J&V Semiconductor	2.00%	1,191,965.26		10,032,714.50
Chengdu Qingyang Company	40.00%	5,788,466.14		86,567,347.98
Yixing Jiexin Company	45.50%	3,435,089.64		48,325,856.36
Sichuan Yajixin Company	40.00%	-4,445,158.76		15,183,229.29
Hunan Jiechuwei Company	30.00%	-8,789,137.62		220,262,536.38

Holding proportion of non-controlling interests in subsidiary different from voting proportion:

Other notes:

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

Unit: RMB

Subsidiary	Closing balance						Opening balance					
	Current	Non-current	Total	Current	Non-current	Total liability	Current	Non-current	Total	Current	Non-current	Total liability

	assets	t assets	assets	liabilit ies	t liabilit ies	ies	assets	t assets	assets	liabilit ies	t liabilit ies	ies
J&V Semic onduc tor	282,3 78,07 0.18	420,6 24,84 5.84	703,0 02,91 6.02	162,2 45,84 4.08	29,74 3,800. 39	191,9 89,64 4.47	218,5 88,41 7.26	378,4 39,93 6.80	597,0 28,35 4.06	120,7 72,32 3.00	25,99 4,756. 85	146,7 67,07 9.85
Cheng du Qingy ang Comp any	206,3 63,46 5.70	97,69 1,654. 20	304,0 55,11 9.90	79,30 4,899. 30	3,813, 500.5 5	83,11 8,399. 85	200,3 56,07 6.56	103,4 23,12 7.41	303,7 79,20 3.97	93,04 5,241. 75	4,289, 334.1 1	97,33 4,575. 86
Yixin g Jiexin Comp any	94,26 4,031. 99	101,7 29,94 9.88	195,9 93,98 1.87	86,67 9,639. 54	2,873, 237.4 1	89,55 2,876. 95	84,13 5,213. 29	102,6 69,49 6.28	186,8 04,70 9.57	84,44 2,789. 75	3,491, 389.0 7	87,93 4,178. 82
Sichu an Yajixi n Comp any	49,28 4,683. 83	254,1 57,90 3.61	303,4 42,58 7.44	74,61 2,886. 39	150,8 09,70 1.51	225,4 22,58 7.90	64,85 2,428. 56	259,1 38,79 3.78	323,9 91,22 2.34	229,8 54,65 6.12	5,045, 522.9 9	234,9 00,17 9.11
Huna n Jiechu wei Comp any	240,7 70,76 6.11	1,092, 438,7 57.88	1,333, 209,5 23.99	487,4 69,01 8.33	205,3 75,98 9.40	692,8 45,00 7.73	142,3 69,43 7.86	911,0 84,88 5.90	1,053, 454,3 23.76	287,1 15,93 6.50	91,62 9,070. 38	378,7 45,00 6.88

Unit: RMB

Subsidiary	Current period cumulative				Amount for the previous period			
	Operatin g revenue	Net profit	Total compreh ensive income	Cash flows from operatin g activitie s	Operatin g revenue	Net profit	Total compreh ensive income	Cash flows from operatin g activitie s
J&V Semicon ductor	571,089, 838.77	59,598,2 63.15	59,598,2 63.15	42,394,7 37.76	549,629, 662.23	73,565,9 38.83	73,565,9 38.83	135,042, 560.25
Chengd u	202,079,	14,471,1	14,471,1	11,654,4	195,219,	16,728,0	16,728,0	- 8,057,10

Qingyan g Compan y	315.36	65.34	65.34	23.36	342.16	06.40	06.40	5.83
Yixing Jiexin Compan y	163,046, 364.56	7,549,64 7.57	7,549,64 7.57	- 9,055,98 9.17	166,133, 926.92	30,970,8 34.40	30,970,8 34.40	13,009,3 43.62
Sichuan Yajixin Compan y	159,943, 166.59	- 11,112,8 96.89	- 11,112,8 96.89	- 171,510, 748.99	149,859, 550.11	15,096,8 16.80	15,096,8 16.80	- 6,473,68 9.01
Hunan Jiechuw ei Compan y	259,771, 734.37	- 29,297,1 25.40	- 29,297,1 25.40	253,579, 246.11	139,456, 924.89	- 56,542,9 12.75	- 56,542,9 12.75	- 290,959, 185.58

Other notes:

(4) Significant restrictions on leveraging the assets and liquidating the liabilities of the business consortium

(5) Financial support or other support provided to structural entities incorporated into the scope of consolidated financial statements

Other notes:

2. The transaction of the Company with its owner's equity share changing but the Company still controls the subsidiary

(1) Note to the owner's equity share changed in subsidiaries

Subsidiary	Date of change	Holding proportion before change	Holding proportion after change
Jiangsu Runau Company	September 2023	60.82%	100.00%

(2) Effect of transactions on non-controlling interest and equity attributable to parent company

Unit: RMB

	Jiangsu Runau Company
Purchase cost/disposal consideration	
-Cash	23,505,540.00
-Fair value of non-cash assets	
Total purchase cost/disposal consideration	23,505,540.00
Less: Share of net assets of subsidiaries based on percentage of equity acquired/disposed of	20,818,744.17
Balance	2,686,795.83
Including: Capital reserve adjusted	2,686,795.83
Adjusting surplus reserve	
Adjusting retained profits	

Other notes:

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

Name	Principal place of operation	Place of registration	Business nature	Shareholding percentage (%)		Accounting treatment of the investment to joint ventures or associates
				Direct	Indirect	

Notes to holding proportion of joint ventures or associates different from voting proportion:

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

(2) Main financial information of significant joint ventures

Unit: RMB

	Closing balance/Current period cumulative	Opening balance/Amount for the previous period
Current assets		
Of which: Cash and cash equivalents		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		
Non-controlling interest		
Equity attributable to shareholders of the parent company		
Net assets shares calculated at the shareholding proportion		
Adjusted items		
- Goodwill		
--Unrealized profit of intra-company transaction		
--Other		
Carrying amount of equity investment to joint ventures		
Fair values of equity		

investments of joint ventures with quoted prices		
Operating revenue		
Financial expenses		
Income tax expenses		
Net profit		
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income		
Dividends received from the joint venture in the current period		

Other notes:

(3) Main financial information of significant associates

Unit: RMB

	Closing balance/Current period cumulative	Opening balance/Amount for the previous period
Current assets		
Non-current assets		
Total assets		
Current liabilities		
Non-current liabilities		
Total liabilities		

Non-controlling interest		
Equity attributable to shareholders of the parent company		
Net assets shares calculated at the shareholding proportion		
Adjusted items		
- Goodwill		
--Unrealized profit of intra-company transaction		
--Other		
Carrying amount of investment to associates		
Fair value of equity investments in associates with publicly quoted prices		
Operating revenue		
Net profit		
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income		
Dividends received from the associates in the current period		

Other notes:

(4) Summary financial information of insignificant joint ventures or associates

Unit: RMB

	Closing balance/Current period cumulative	Opening balance/Amount for the previous period
Joint venture:		
Total carrying amount of investments	62,372,039.75	107,981,806.92
Proportionate shares in the following items		
-- Net profit	-3,038,752.59	4,817,516.68
Associates:		
Proportionate shares in the following items		
-- Total comprehensive income	-3,038,752.59	4,817,516.68

Other notes:

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

Unit: RMB

Name	The cumulative recognized losses in previous accumulatively derecognized	The derecognized losses (or the share of net profit) in current period	The accumulative unrecognized losses in current period

Other notes:

(7) The unrecognized commitment related to investment to joint ventures

(8) Contingent liabilities related to investment to joint ventures or associates**4. Significant joint ventures**

Name of joint venture	Principal place of operation	Place of registration	Business nature	Shareholding proportion/shares owned	
				Direct	Indirect

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

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

Other notes:

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

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

6. Others**XI. Government Grants****1. Government grants recognized based on the amount receivable at the end of the reporting period**

Applicable Not applicable

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

Applicable Not applicable

2. Liability items involving government grants

Applicable Not applicable

Unit: RMB

Accounting subject	Opening balance	Amount of new subsidy for the current	Amount included into non-operating revenue	Amount transferred into other income in	Other changes for the current period	Closing balance	Related to assets/income
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		period	in the current period	the current period			
Deferred income	159,516,602.26	56,869,600.00		32,255,734.66		184,130,467.60	Related to assets

3. Government grants recorded into current profit or loss

Applicable Not applicable

Unit: RMB

Accounting subject	Current period cumulative	Amount for the previous period
Amount of government grants included into other income	50,139,372.75	31,301,897.74
Total	50,139,372.75	31,301,897.74

Other remarks

XII. Risks Associated with Financial Instruments

1. Various types of risks arising from financial instruments

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on that risk management goal, the fundamental strategy of its risk management is to identify and analyze various risks facing the Company, establish an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope.

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

i. Credit risk

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

1. Practices of credit risk management

(1) Methods for evaluating credit risk

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

quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default credit risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

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

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

(2) Definition of default and asset with credit impairment

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

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

2. Measurement of expected credit losses

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

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

4. Exposure to credit risk and concentration of credit risk

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

(1) Monetary Assets

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

(2) Receivables

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

As the risk points of the Company's accounts receivable are distributed among multiple partners and customers, as of December 31, 2023, 22.27% of the Company's accounts receivable (December 31, 2022: 26.44%) originated from the top five customers, and there is no significant credit concentration risk in the Company.

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

ii. Liquidity risk

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

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

Financial Liabilities Classified Based on Remaining Time Period till ,Maturity Unit: RMB

Item	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within one year	One to three years	Above three years
Bank borrowings	1,350,196,193.45	1,407,943,724.44	980,596,959.44	262,658,005.00	164,688,760.00
Notes payable	239,394,631.11	239,394,631.11	239,394,631.11		
Accounts payable	1,188,088,881.20	1,188,088,881.20	1,188,088,881.20		
Other payables	50,397,974.95	50,397,974.95	50,397,974.95		
Lease liabilities	145,406,984.74	156,229,691.83	49,551,354.55	55,282,518.84	51,395,818.44
Subtotal	2,973,484,665.45	3,042,054,903.53	2,508,029,801.25	317,940,523.84	216,084,578.44

(Continued)

Item	Year-end balance of last year
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	Carrying amount	Contract amount not yet discounted	Within one year	One to three years	Above three years
Bank borrowings	773,479,874.33	826,671,377.17	419,680,144.29	406,991,232.88	
Notes payable	404,866,538.45	404,866,538.45	404,866,538.45		
Accounts payable	1,045,387,673.40	1,045,387,673.40	1,045,387,673.40		
Other payables	32,643,884.26	32,643,884.26	32,643,884.26		
Lease liabilities	7,200,226.86	7,912,954.70	2,609,991.62	3,882,491.40	1,420,471.68
Subtotal	2,263,578,197.30	2,317,482,427.98	1,905,188,232.02	410,873,724.28	1,420,471.68

iii. Market risk

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

1. Interest rate risk

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

2. Foreign exchange risk

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

Please refer to Note V (IV) 1 to the financial statements for details on foreign currency financial assets and liabilities at the end of the period.

2. Hedging

(1) The Company conducts hedging business for risk management

Applicable Not applicable

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

Unit: RMB

Item	Carrying amount related to hedged items and hedging instruments	Accumulated fair value hedging adjustments included in the carrying amount of recognized hedged items	Hedge validity and sources for hedge invalidity	Impact of hedge accounting on the financial statements of the Company
Hedging risk type				
Hedging type				

Other remarks

(3) The Company conducts hedging business for risk management and expects to achieve risk management objectives, but does not apply hedge accounting Applicable Not applicable**3. Financial assets****(1) Classification of transfer methods** Applicable Not applicable

Unit: RMB

Transfer method	Nature of the transferred financial assets	Amount of transferred financial assets	Derecognition	Judgment basis of the derecognition
Non-recourse factoring of accounts receivable	Financial assets measured at amortized cost	100,000,000.00	Has been derecognized	Enter into a non-recourse accounts receivable factoring agreement with the bank
Total		100,000,000.00		

2) Financial assets derecognized due to the transfer Applicable Not applicable

Unit: RMB

Item	Methods of transferring financial assets	Amount of derecognized financial assets	Gains or losses related to derecognition
Accounts receivable	Accounts receivable factoring	100,000,000.00	32,191.78
Total		100,000,000.00	32,191.78

(3) Continued involvement in asset transfer of financial assets

Applicable Not applicable

Other remarks

XIII. Disclosure of Fair Value**1. Closing fair value of assets and liabilities measured at fair value**

Unit: RMB

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Consistent Fair Value Measurement	--	--	--	--
(i) Trading financial assets and other non-current financial assets	199,278,186.21	438,354,009.38	53,728,138.00	691,360,333.59
(1) Financial assets classified as at fair value through profit or loss	199,278,186.21	438,354,009.38	53,728,138.00	691,360,333.59
Financial products			10,000,000.00	10,000,000.00
Equity instrument investments	199,278,186.21	438,354,009.38	43,728,138.00	681,360,333.59

ii. Receivables financing			217,717,753.23	217,717,753.23
Total assets at recurring fair value measurement	199,278,186.21	438,354,009.38	271,445,891.23	909,078,086.82
II. Inconsistent Fair Value Measurement	--	--	--	--

2. Basis for Determining the Market Price of Continuous and Non-continuous Level 1 Fair Value Measurement Items

Other non-current financial assets at fair value through profit or loss of RMB199,278,186.21 refer to shares of Chengzhi Shareholding Co., Ltd. (stock code: 000990) through holding partnership shares of Nantong Jinxin Haohua Investment Center (LP), shares of Guobo Electronics Co., Ltd. (stock code: 688375) indirectly held by the Company through holding partnership shares of Ningbo Dongxin Guohong Enterprise Management Partnership (LP), shares of United Nova Technology Co., Ltd. (stock code: 688469) directly held by the Company, and shares of Suzhou Beckwork Technology Co., Ltd. (stock code: 2149.HK) directly held by the Company, and their fair values were determined based on the number of holding shares and closing price at the balance sheet date.

3. Continuous and Non-continuous Level 2 Fair Value Measurement Items, Valuation Techniques Used, and The Qualitative and Quantitative Information of Important Parameters

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

4. Continuous and Non-continuous Level 3 Fair Value Measurement Items, Valuation Techniques Used, and The Qualitative and Quantitative Information of Important Parameters

(1) Debt instrument investments of RMB10 million refer to the purchased short-term financial products with a short remaining maturity, and the difference between the fair value and the carrying amount is relatively small, the carrying amount is adopted as the fair value.

(2) Among the equity instrument investments, the investments in Hainan Huoyan Xihe Equity Investment Private Equity Fund Partnership (LP), Dalian Jiafeng Automation Co., Ltd., Jiangsu Applied Power and Chengdu Senmi Technology Consulting Partnership (LP) were RMB5 million, RMB10 million, RMB15 million and RMB13,728,100 respectively. As it is not feasible to evaluate the equity of investees using income approach or market approach, and there is no introduction of new external investors and transfer of equity between shareholders, which could be used as a reference for the determination of fair value of equity, resulting in the "limited condition" where cost can be used as the best estimate of fair value, the cost is adopted as the fair value at the balance sheet date.

(3) As the difference between the fair value of the receivables financing and the carrying amount is relatively small, the carrying amount is adopted as the fair value.

5. Continuous and Non-continuous Level 3 Fair Value Measurement Items, Information on the Adjustment Between the Opening and Closing Carrying Amount, and Sensitivity Analysis of Unobservable Parameters

6. Explain the Reason for Conversion and the Governing Policy when the Conversion Happens if Conversion Happens among Consistent Fair Value Measurement Items at Different Levels

7. Changes in the valuation technique in the current period and the reason for such changes

8. The fair value of financial assets and financial liabilities not measured at fair value

9. Others

XIV. Related Party and Related-party Transactions

1. Information related to the parent company of the Company

Parent company	Place of registration	Business nature	Registered capital	Proportion of share held by the parent Company against the Company (%)	Proportion of voting rights owned by the parent Company against the Company (%)
Jiangsu Yangjie Investment Co., Ltd.	Yangzhou, Jiangsu Province	Industrial investment	RMB20 million	36.23%	36.23%

Notes: Information on the parent company

The Company's ultimate controlling party is Liang Qin.

Other notes:

2. Subsidiaries of the Company

Please refer to Note X for details on the Company's subsidiaries.

3. Information on the joint ventures and associates of the Company

Please refer to Note X for significant joint ventures or associated enterprises.

Information on other joint venture or associates of occurring related-party transactions with the Company in Current Period, or forming balance due to related-party transactions made in previous period:

Name	Relationship with the Company
Yangzhou Guoyu Electronics Co., Ltd. (hereinafter referred to as "Guoyu Electronics Company")	Associate
Jiangsu Huanxin Semiconductor Co., Ltd. (hereinafter referred to as "Jiangsu Huanxin Company")	Associate
Hunan Jiechuwei Company	[Note]

Other notes:

[Note] Hunan Jiechuwei Company was a joint venture of the Company from January to March this period. The following related party transaction data is the transaction data between the Company and Hunan Jiechuwei Company for the current period.

4. Information on other related parties

Related parties	Relationship with the Company
Jiangsu Applied Power Microelectronics Co., Ltd. (hereinafter referred to as "Jiangsu Applied Power")	Its shares are held by the Company
Dalian Jiafeng Automation Co., Ltd. (hereinafter referred to as "Dalian Jiafeng Company")	Its shares are held by the Company
Yangzhou Yiyuan Education Foundation	Zhao Zheng, Supervisor of the Company, serves as the President.

Other notes:

5. List of related-party transactions

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

Information on acquisition of goods and reception of labor service

Unit: RMB

Related parties	Content of transaction	Current period	The approval trade credit	Whether exceed trade	Amount for the previous
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		cumulative		credit or not	period
Jaingsu Applied Power	Purchase of materials	26,384,459.79		No	50,393,849.16
Dalian Jiafeng	Purchase of equipment and materials	1,493,141.60		No	16,434,046.92
Jiangsu Huanxin Company	Purchase of materials	353,982.30		No	
Guoyu Electronics	Purchase of materials			No	2,927,693.39
Hunan Jiechuwei Company	Purchase of materials	52,596,343.25		No	78,033,805.86

Information of sales of goods and provision of labor service

Unit: RMB

Related parties	Content of transaction	Current period cumulative	Amount for the previous period
Jaingsu Applied Power	Sale of goods	1,880,798.74	3,605,470.79
Jiangsu Huanxin Company	Sale of goods	4,916,143.41	12,360,360.18

Notes to acquisition of goods and reception of labor service

(2) Information on related-party trusteeship/contract

Lists of trusteeship/contract of the Company:

Unit: RMB

Name of the entruster/co ntractee	Name of the trustee/ contractor	Type	Start date	Due date	Pricing basis	Income recognized in this Current Period
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Notes:

Lists of entrust/contract:

Unit: RMB

Name of the entruster/co ntractee	Name of the entrustee/ contractor	Type	Start date	Due date	Pricing basis	Charge recognized in this Current Period
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Notes:

(3) Information on related-party lease

The Company was lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in the current period	The lease income confirmed in the previous period
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The Company was lessee:

Unit: RMB

Name of lessor	Category of leased assets	Rental expense of simplified short-term leases and low-value asset leases (if applicable)		Variable lease payments that are not covered in the measurement of the lease liabilities (if applicable)		Rent payable		Interest expense on lease liabilities borne		Added right-of-use assets	
		Current period cumulative	Amount for the previous period	Current period cumulative	Amount for the previous period	Current period cumulative	Amount for the previous period	Current period cumulative	Amount for the previous period	Current period cumulative	Amount for the previous period

Notes:

(4) Information on related-party guarantee

The Company was guarantor:

Unit: RMB

Secured party	Amount of guarantee	Start date	End date	Execution accomplished or not
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The Company was secured party

Unit: RMB

Guarantor:	Amount of guarantee	Start date	End date	Execution accomplished or not
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Notes:

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

Unit: RMB

Related parties	Amount	Start date	Maturity date	Remarks
Borrowing				
Lending				

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

Unit: RMB

Related parties	Content of transaction	Current period cumulative	Amount for the previous period
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(7) Information on remuneration for key management personnel

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Key management's emoluments	11,468,000.00	14,042,000.00

(8) Other related-party transactions

In this current period, the Company donated RMB121,474,00 million of education finance to Yangzhou Yiyuan Education Foundation, a public service organization.

6. Accounts receivable and payable of related party**(1) Accounts receivable**

Unit: RMB

Items	Related parties	Closing balance		Opening balance	
		Carrying balance	Bad debt provision	Carrying balance	Bad debt provision
Accounts receivable	Jiangsu Huanxin Company	1,539,943.20	76,997.16	3,977,145.23	198,857.26
Accounts receivable	Jaingsu Applied Power	530,394.07	26,519.70		
Subtotal		2,070,337.27	103,516.86	3,977,145.23	198,857.26
Other receivables	Hunan Jiechuwei Company			274,698.29	13,734.91
Subtotal				274,698.29	13,734.91

(2) Accounts payable

Unit: RMB

Items	Related parties	Closing carrying balance	Opening carrying balance
Accounts payable	Guoyu Electronics		237,007.19
Accounts payable	Jaingsu Applied Power	9,209,124.38	10,158,197.16
Accounts payable	Hunan Jiechuwei Company		9,354,721.59
Subtotal		9,209,124.38	19,749,925.94
Notes payable	Guoyu Electronics		1,060,406.47
Notes payable	Jaingsu Applied Power	1,760,000.00	2,160,000.00

Notes payable	Hunan Jiechuwei Company		10,989,021.92
Subtotal		1,760,000.00	14,209,428.39
Other payables	Hunan Jiechuwei Company		9,697.00
Subtotal			9,697.00

7. Commitments of related party

8. Other

XV. Stock Payment

1. The overall situation of share-based payments

Applicable Not applicable

Unit: RMB

Type of granted object	Grant for the current period		Exercise for the current period		Unlocking for the current period		Expiration for the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Administrative staff			505,000	12,210,900.00			294,000	10,238,760.00
R&D personnel			319,200	7,718,256.00			88,800	2,827,584.00
Sales personnel			468,600	11,330,748.00			70,900	2,253,012.00
Production personnel			270,400	6,538,272.00			52,700	1,688,196.00
Total			1,563,200	37,798,176.00			506,400	17,007,552.00

Share options or other equity instruments outstanding at the end of the period

 Applicable Not applicable

Type of granted object	Share options outstanding at the end of the period		Other equity instruments outstanding at the end of the period	
	Scope of exercise prices	Remaining duration of contract	Scope of exercise prices	Remaining duration of contract
Administrative staff	RMB35.52/share	The first vesting period meets the vesting conditions, and the remaining vesting period is 7 months		
R&D personnel	RMB35.52/share	The first vesting period meets the vesting conditions, and the remaining vesting period is 7 months		
Sales personnel	RMB35.52/share	The first vesting period meets the vesting conditions, and the remaining vesting period is 7 months		

Other notes:

Pursuant to the resolution of the 18th meeting of the Fourth Board of Directors, the announcement on the resolution of the 19th meeting of the Fourth Board of Directors, and the resolution of the first extraordinary shareholders' meeting of 2022, the Company granted restricted A shares (class II) of 800,000 shares (each with par value of one yuan) to 110 incentive objects including Chen Runsheng at a grant price of 35.52 yuan per share. The first vesting period of class II restricted shares is from the first trading day after expiry of the 12-month period from the grant date to the last trading day of the 24-month period from the grant date, and the second vesting period is from the first trading day after expiry of the 24-month period from the grant date to the last trading day of the 36-month period from the grant date. Equity for each vesting period accounts for 50.00% of the total granted equity. The vesting conditions for the first vesting period have been achieved and the rights have not yet been exercised.

Pursuant to the resolution of the 10th meeting of the Fourth Board of Directors, the announcement on the resolution of the 12th meeting of the Fourth Board of Directors, and the resolution of the first extraordinary shareholders' meeting of 2021, the Company granted restricted A shares (class II) of 3.55 million shares (each with par value of one yuan) to 589 incentive objects including Chen Runsheng at a grant price of 24.90 yuan per share. The first vesting period of class II restricted shares is from the first trading day after expiry of the 12-month period from the grant date to the last trading day of the 24-month period from the grant date, and the second vesting period is from the first trading day after expiry of the 24-month period from the grant date to the last trading day of the 36-month period from the grant date. Equity for each vesting period accounts for 50.00% of the total granted equity. The vesting conditions for both vesting periods have been achieved.

2. Equity-settled share-based payments

Applicable Not applicable

Unit: RMB

Determination method for grant-date fair value of equity instruments	Black-Scholes model
Significant parameter for grant-date fair value of equity instruments	Black-Scholes model
Determination method for the number of equity instruments expected to vest	The Class II restricted shares with exercisable rights is the number of outstanding shares at the end of current period.
Reasons for significant difference between the estimates in current period and preceding period	None
Capital reserve accumulated due to equity-settled share-based payment	11,557,677.25
Total expenses incurred due to equity-settled share-based payment	11,557,677.25

Other notes:

3. Cash-settled share-based payments

Applicable Not applicable

4. Share-based payments for the current period

Applicable Not applicable

Unit: RMB

Type of granted object	Equity-settled share-based	Cash-settled share-based
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	payments	payments
Administrative staff	4,643,967.91	
R&D personnel	2,216,936.02	
Sales personnel	2,896,696.59	
Production personnel	1,800,076.73	
Total	11,557,677.25	

Other notes:

5. Modification and termination of share-based payments

The Company adjusted the exercise price of the Phase III restricted share incentives according to the profit distribution plan for 2021 and 2022, and the adjusted exercise price of the Phase III restricted share incentives is RMB24.18 per share.

6. Others

XVI. Commitments and Contingency

1. Significant commitments

Significant commitments on balance sheet date

At the balance sheet date, letters of guarantee issued by the Company totaled RMB110,000,000.00, and letters of credit issued totaled USD326,000.00, RMB14 million, and JPY44,745,000.00.

2. Contingency

(1) Significant contingency on balance sheet date

There was no significant contingency in the Company to disclose as at the balance sheet date.

(2) Explanation shall be given even if there is no significant contingency for the Company to disclose

There was no significant contingency in the Company to disclose.

3. Others

XVII. Events after Balance Sheet Date

1. Significant non-adjustment matters

Unit: RMB

Item	Contents	Influence number to	Reason of inability to
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		the financial position and operating results	estimate influence number
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2. Profit distribution

Proposed dividends for every 10 shares (RMB)	6
Amount of dividends every 10 shares declared for distribution upon deliberation and approval (RMB)	6
Profit distribution plan	Based on the total share capital of 540,608,382 shares after deducting the repurchased shares in the special repurchase account as of April 18, 2024, a cash dividend of RMB6 (tax inclusive) was distributed to all shareholders for every 10 shares.

3. Sales return

4. Notes to other events after balance sheet date

XVIII. Other Significant Events

1. The accounting errors correction in previous period

(1) Retrospective restatement

Unit: RMB

Content	Processing program	Name of the influenced report items during comparison period	Accumulative impact
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(2) Prospective application

Content	Processing program	Reason for adopting prospective application
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2. Debt Restructuring

3. Assets replacement

(1) Non-monetary assets exchange

(2) Other assets replacement**4. Pension plans****5. Discontinued operations**

Unit: RMB

Item	Revenue	Fees	Profit before tax	Income tax expenses	Net profit	Profit from discontinued operations attributable to owners of the parent company

Other notes:

6. Segment information**(1) Determination basis and accounting policies of reportable segment**

The Company is mainly engaged in R&D, manufacturing and sales of discrete semiconductor products such as semiconductor components, semiconductor chips and semiconductor silicon wafers. The Company will treat this business as a whole for management, evaluation, and performance assessment. As a result, the Company is not required to disclose segment information. Please refer to section V (II) 1 of notes to the financial statements for details on operating revenues and operating costs classified by product and region.

(2) The financial information of reportable segment

Unit: RMB

Item	Domestic	Overseas	Offset among segment	Total
Revenue	4,177,882,827.27	1,215,191,947.78		5,393,074,775.05
Cost	3,049,620,515.31	706,213,374.24		3,755,833,889.55

(3) If the Company has no reporting segments, or if it is unable to disclose the total assets and liabilities of each reporting segment, the reasons shall be explained.

(4) Other notes**7. Other significant transactions and events with influence on investors' decision-making****8. Other****XIX. Notes to Main Items in the Financial Statements of the Parent Company****1. Accounts receivable****(1) Disclosure by ages**

Unit: RMB

Ages	Closing carrying balance	Opening carrying balance
Within one year (inclusive)	1,563,430,602.38	969,356,037.52
One to two years	3,644,303.26	29,115,627.76
Two to three years	11,689,851.51	374,889.83
Above three years	522,733.63	632,406.95
Three to four years	522,733.63	632,406.95
Total	1,579,287,490.78	999,478,962.06

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

Unit: RMB

Type	Closing balance					Opening balance				
	Carrying balance		Bad debt provision		Carrying amount	Carrying balance		Bad debt provision		Carrying amount
	Amount	Percentage	Amount	Withdrawal proportion		Amount	Percentage	Amount	Withdrawal proportion	
Accounts receivable of bad	1,587,601.36	0.10%	1,587,601.36	100.00%						

debt provision withdrawn on a single basis										
Of which:										
Accounts receivable of bad debt provision withdrawn by groups	1,577,699.88 9.42	99.90%	84,642,979.36	5.36%	1,493,056.91 0.06	999,478,962.06	100.00%	52,199,216.53	5.22%	947,279,745.53
Of which:										
Total	1,579,287.49 0.78	100.00%	86,230,580.72	5.46%	1,493,056.91 0.06	999,478,962.06	100.00%	52,199,216.53	5.22%	947,279,745.53

Bad debt provision withdrawn on an individual basis: RMB1,587,601.36

Unit: RMB

Name	Opening balance		Closing balance			
	Carrying balance	Bad debt provision	Carrying balance	Bad debt provision	Withdrawal proportion	Reason for accrual
Receivables with provision made on an individual basis			1,587,601.36	1,587,601.36	100.00%	
Total			1,587,601.3	1,587,601.3		

			6	6		
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Bad debt provision withdrawn by portfolio: RMB84,642,979.36

Unit: RMB

Name	Closing balance		
	Carrying balance	Bad debt provision	Withdrawal proportion
Within one year	1,563,430,602.38	78,171,530.12	5.00%
One to two years	2,169,902.28	216,990.23	10.00%
Two to three years	11,689,851.51	5,844,925.76	50.00%
Above three years	409,533.25	409,533.25	100.00%
Total	1,577,699,889.42	84,642,979.36	

Notes to the determination basis for the Group:

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

Type	Opening balance	Changes in the current period				Closing balance
		Withdrawal	Reversed or recovered	Write-off	Others	
Receivables with provision made on an individual basis		1,587,601.36				1,587,601.36
Bad debt provision withdrawn	52,199,216.53	34,217,240.85		1,773,478.02		84,642,979.36

by groups					
Total	52,199,216. 53	35,804,842. 21		1,773,478.0 2	86,230,580. 72

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

Unit: RMB

Entity	Amount reversed or recovered	Reason for reversal	Way of recovery	Basis and rationality of determining the ratio of withdrawing original bad debt provision

(4) Accounts receivable with actual write-off in current period

Unit: RMB

Item	Written-off amount
Accounts receivable with actual write-off	1,773,478.02

Of which the verification of significant accounts receivable:

Unit: RMB

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

Notes to verification of accounts receivable:

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

Unit: RMB

Entity	Closing balance	Closing balance of contract	Closing balance of the accounts	Proportion to total closing balance of the	Closing balance of bad debt

		assets	receivable and contract assets	accounts receivable and contract assets	provision for accounts receivable and provision for impairment for contract assets
No. 1	310,818,943.2 4	0.00	310,818,943.2 4	19.68%	15,540,947.16
No. 2	101,170,901.6 2	0.00	101,170,901.6 2	6.41%	5,058,545.08
No. 3	72,918,779.01	0.00	72,918,779.01	4.62%	3,645,938.95
No. 4	68,349,762.00	0.00	68,349,762.00	4.33%	3,417,488.10
No. 5	59,343,394.38	0.00	59,343,394.38	3.76%	2,967,169.72
Total	612,601,780.2 5	0.00	612,601,780.2 5	38.80%	30,630,089.01

2. Other Receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	68,359,486.42	180,771,875.41
Total	68,359,486.42	180,771,875.41

(1) Other receivables

1) Category of other receivables by account nature

Unit: RMB

Nature of receivables	Closing carrying balance	Opening carrying balance
Call loans	64,704,406.80	175,119,878.84
Guarantee deposits	13,450,211.84	23,976,029.95
Prepayments for taxes of agent import customs declaration	39,404.96	96,389.18

Temporary payment receivable	3,020,770.29	2,906,486.26
Others	41,041.16	94,388.02
Total	81,255,835.05	202,193,172.25

2) Disclosure by ages

Unit: RMB

Ages	Closing carrying balance	Opening carrying balance
Within one year (inclusive)	52,112,561.15	94,621,685.59
One to two years	20,849,479.26	98,852,265.22
Two to three years	176,044.00	3,828,470.80
Above three years	8,117,750.64	4,890,750.64
Three to four years	8,117,750.64	4,890,750.64
Total	81,255,835.05	202,193,172.25

3) Disclosure by classification according to bad debt provision method

Unit: RMB

Type	Closing balance					Opening balance				
	Carrying balance		Bad debt provision		Carrying amount	Carrying balance		Bad debt provision		Carrying amount
	Amount	Percentage	Amount	Withdrawal proportion		Amount	Percentage	Amount	Withdrawal proportion	
Of which:										
Bad debt provision withdrawn by	81,255,835.05	100.00%	12,896,348.63	15.87%	68,359,486.42	202,193,172.25	100.00%	21,421,296.84	10.59%	180,771,875.41

groups										
Of which:										
Total	81,255,835.05	100.00%	12,896,348.63	15.87%	68,359,486.42	202,193,172.25	100.00%	21,421,296.84	10.59%	180,771,875.41

Bad debt provision withdrawn by group: RMB12,896,348.63

Unit: RMB

Name	Closing balance		
	Carrying balance	Bad debt provision	Withdrawal proportion
Within one year	52,112,561.15	2,605,628.06	5.00%
One to two years	20,849,479.26	2,084,947.93	10.00%
Two to three years	176,044.00	88,022.00	50.00%
Above three years	8,117,750.64	8,117,750.64	100.00%
Total	81,255,835.05	12,896,348.63	

Notes to the determination basis for the Group:

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

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected loss in the duration (credit impairment not incurred)	Expected loss in the duration (credit impairment incurred)	
Balance as at January 1, 2023	4,731,084.28	9,885,226.52	6,804,986.04	21,421,296.84
Balance as at January 1, 2023 in the current				

period				
--Transferred to stage 2	-1,042,473.96	1,042,473.96		
--Transferred to stage 3		-17,604.40	17,604.40	
Provision withdrawn in the current period	-1,082,982.26	-8,825,148.15	1,383,182.20	-8,524,948.21
Balance as at December 31, 2023	2,605,628.06	2,084,947.93	8,205,772.64	12,896,348.63

Classification basis and bad debt provision proportion for each stage

Stage division basis: The first stage is for accounts within one year, the second stage is for accounts with an age of one-two years, and the third stage is for accounts with an age of more than two years.

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

Applicable Not applicable

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

Withdrawal of bad debt provision in the current period:

Unit: RMB

Type	Opening balance	Changes in the current period				Closing balance
		Withdrawal	Reversed or recovered	Charged-off/write-off	Others	

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

Unit: RMB

Entity	Amount reversed or recovered	Reason for reversal	Way of recovery	Basis and rationality of determining the ratio of withdrawing original bad debt

				provision
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5) Other receivables with actual write-off in the current period

Unit: RMB

Item	Written-off amount
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Of which the verification of significant other receivables:

Unit: RMB

Entity	Nature	Written-off amount	Reason for verification	Verification procedures performed	Whether occurred because of related-party transactions
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Notes to the verification of other receivables:

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

Unit: RMB

Entity	Nature	Closing balance	Ages	Proportion to total closing balance of other receivables	Closing balance of bad debt provision
No. 1	Call loans	42,965,540.00	Within one year	52.88%	2,148,277.00
No. 2	Call loans	20,000,000.00	One to two years	24.61%	2,000,000.00
No. 3	Guarantee deposits	2,000,000.00	Above three years	2.46%	2,000,000.00
No. 4	Guarantee deposits	2,000,000.00	Above three years	2.46%	2,000,000.00
No. 5	Guarantee deposits	34,560.00	Within one year	0.04%	1,728.00

No. 5	Guarantee deposits	130,000.00	One to two years	0.16%	13,000.00
No. 5	Guarantee deposits	1,800,000.00	Above three years	2.22%	1,800,000.00
Total		68,930,100.00		84.83%	9,963,005.00

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

Unit: RMB

Other notes:

3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying balance	Allowance for impairment	Carrying amount	Carrying balance	Allowance for impairment	Carrying amount
Investments in subsidiaries	2,214,495,803.79	2,044,509.64	2,212,451,294.15	472,591,973.78	10,559,705.89	462,032,267.89
Investments in associates and joint ventures	62,372,039.75		62,372,039.75	466,606,774.74		466,606,774.74
Total	2,276,867,843.54	2,044,509.64	2,274,823,333.90	939,198,748.52	10,559,705.89	928,639,042.63

(1) Investment to subsidiaries

Unit: RMB

Investees	Opening balance (carrying amount)	Opening balance of provision for impairment	Increase/decrease for the current period				Closing balance (carrying amount)	Closing balance of allowance for impairment
			Investments increased	Investments decreased	Allowance for impairment	Others		

		nt						nt
J&V Semiconductor	24,763,812.52					1,153,734.19	25,917,546.71	
Yangjie Semiconductor Company	50,488,634.94					235,813.87	50,724,448.81	
Jaywin Chip Company	35,384.97	8,515,196.25		35,384.97				
MCC Jiangsu	2,732,779.98					181,980.00	2,914,759.98	
MCC Shenzhen	8,972,597.81					610,726.45	9,583,324.26	
MCC Hong Kong	60,785,900.00		647,125,269.83				707,911,169.83	
Yangjie Korea Company	4,383,377.26						4,383,377.26	
Shanghai Xinyang Company	474,890.36	2,044,509.64					474,890.36	2,044,509.64
Hangzhou E-Giant Company	3,000,000.00						3,000,000.00	
Yixing Jiexin Company	36,447,005.00					20,926.60	36,467,931.60	
Chengdu Qingyang Company	101,259,720.00					62,779.80	101,322,499.80	
Shanghai Lingxin Company	5,093,240.00					20,926.60	5,114,166.60	
Sihong Hongxin Company	101,516,989.96					222,620.80	101,739,610.76	

Yangjie Wuxi Company	52,077,935.09						52,077,935.09	
Wuxi Jiexiwei Company	10,000,000.00						10,000,000.00	
Hunan Jiechuwei Company			293,760,000.00			356,656,121.58	650,416,121.58	
Yangzhou Jieguan Company			450,000,000.00			102,491.51	450,102,491.51	
Yangjie Company Japan			301,020.00				301,020.00	
Total	462,032,267.89	10,559,705.89	1,391,186,289.83	35,384.97		359,268,121.40	2,212,451,294.15	2,044,509.64

(2) Investment to joint ventures and associated enterprises

Unit: RMB

Investees	Opening balance (carrying amount)	Opening balance of provision for impairment	Increase/decrease for the current period							Closing balance (carrying amount)	Closing balance of allowance for impairment	
			Investments increased	Investments decreased	Investment gains and losses recognized under equity method	Adjustment of other comprehensive income	Other equity changes	Cash dividend/profit declared for distribution	Allowance for impairment			Others
I. Joint Ventures												
II. Associates												
Yangzhou Guoyu Company	36,790,996.72				8,466,648.19				1,683,572.42		43,574,072.49	
Jiangsu	19,937,796.				-1,139,						18,797,967.	

Intelligent Micro system	78				829.52						26	
Jiangsu Huanxin Company	51,253,013.42				-8,313,018.61					-42,939,994.81		
Hunan Jiechuwei Company	358,624,967.82				-2,052,552.65					-356,572,415.17		
Subtotal	466,606,774.74				-3,038,752.59			1,683,572.42		-399,512,409.98	62,372,039.75	
Total	466,606,774.74				-3,038,752.59			1,683,572.42		-399,512,409.98	62,372,039.75	

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

Applicable Not applicable

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

Applicable Not applicable

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

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

(3) Other notes

4. Operating revenue and cost of sales

Unit: RMB

Item	Current period cumulative	Amount for the previous period
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	Revenue	Cost	Revenue	Cost
Principal business	4,349,466,794.40	3,344,569,674.98	4,366,264,787.96	3,053,312,015.59
Other business	263,485,807.81	181,214,868.39	211,547,694.96	173,995,411.97
Total	4,612,952,602.21	3,525,784,543.37	4,577,812,482.92	3,227,307,427.56

Breakdown of operating revenue and operating cost

Unit: RMB

Category of contracts	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business type								
Of which:								
Classification by operating region								
Of which:								
Market or customer type								
Of which:								

Contract type								
Of which:								
Classification by time of commodity transfer	4,584,182,330.97							4,584,182,330.97
Of which:								
Recognized at a point in time	4,584,182,330.97							4,584,182,330.97
Classification by contract term								
Of which:								
Classification by sales channel								
Of which:								
Total								

Information about performance obligations:

Item	Time to perform the performance obligations	Significant payment terms	Nature of the goods that the Company commits to transfer	Whether it is the principal person in charge	Payment borne by the Company that is expected to be refunded to the customers	Quality assurance types and related obligations provided by the Company
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Other remarks

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

At the end of the Reporting Period, the revenue corresponding to the performance obligations that have been contracted but have not been performed or completed was RMB758,135,421.19, of which RMB726,478,983.95 is expected to be recognized in 2024, and RMB31,656,437.24 in 2025, and RMB0.00 in 2026.

Significant contract changes or significant transaction price adjustments

Unit: RMB

Item	Accounting treatment method	Amount of impact on revenue
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Other notes:

5. Investment income

Unit: RMB

Item	Current period cumulative	Amount for the previous period
Investment income from long-term equity investments under cost method		600,000.00
Investment income from long-term equity investments under equity method	-3,038,752.59	-11,557,515.50
Investment income from disposal of long-term equity investments	17,024,620.22	

Interest income from discounted notes	-3,916,451.16	-1,647,054.71
Investment income from other non-current financial assets		3,172,883.12
Interest income from call loans	3,020,592.32	10,509,855.26
Investment income from disposal of debt investments	5,786,080.91	27,845,954.33
Total	18,876,089.70	28,924,122.50

6. Others

R&D expenses Unit: RMB

Item	Amount in current period	Amount in the same period last year
Direct inputs	102,269,445.70	77,240,285.79
Employee benefits	93,772,682.57	78,128,933.09
Depreciation and amortization	13,192,500.22	9,252,406.70
Consultant certification fees	4,622,541.63	1,166,940.26
Equity-settled share-based payments	1,646,332.08	7,404,165.18
Commissioned R&D expenses	181,430.75	1,045,830.08
Others	15,198,139.84	9,981,244.53
Total	230,883,072.79	184,219,805.63

XX. Supplementary Materials

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

Applicable Not applicable

Unit: RMB

Item	Amount	Remarks
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Gains/losses from the disposal of non-current assets	17,678,838.22	
Government grants recorded in the current profit or loss (except for those closely related to operating activities of the Company, satisfying government policies and regulations, and having a sustained impact on the profit and loss of the company according to the determined criteria)	17,883,638.09	
Except for valid hedging related to the Company's common businesses, gain/loss from change of fair value of holding of financial assets and financial liabilities by non-financial enterprises, as well as the gain/loss from disposal of financial assets and financial liabilities	185,923,823.82	
Gains on assets consigned to the third party for investment or management	6,269,121.12	
Other non-operating revenue or expenditures	-11,858,329.10	
Gains from re-measurement of original equity at fair value when obtaining right of control of a associate.	35,107,584.83	
Less: Income tax effects	30,778,167.63	
Non-controlling interest effects (after tax)	212,672.01	
Total	220,013,837.34	--

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

Applicable Not applicable

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

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

Applicable Not applicable

2. Return on equity and earnings per share

Profit of the Reporting Period	Weighted average ROE	EPS	
		EPS-basic (RMB/share)	EPS-diluted (RMB/share)
Net profit attributable to shareholders of ordinary shares	12.46%	1.74	1.74
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	9.49%	1.32	1.32

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

4. Others