

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

**Annual Report 2024**



**April 25, 2025**

# Annual Report 2024

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

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

YUAN Yonggang, Chairman of the Company, CFO WANG Xu and Accounting Supervisor ZHU Deguang hereby represent that the financial statements contained in this Annual Report are true, accurate and complete. All directors of the Company attended the meeting of the Board of Directors reviewing this Report.

Forward-looking statements such as those on future development plans in this Report do not constitute substantial commitments by the Company to the investors. Investors and relevant persons shall be sufficiently mindful of risks, and understand the differences between plans, predictions and commitments.

The Company has fully disclosed the potential risks associated with the concentration of customers, rapid upgrading and iteration of industrial technologies, fluctuations in exchange rates, etc. in this Report. Please see “XI. Prospects for Future Development of the Company” under “Section III. Management’s Discussion and Analysis”.

**According to the profit distribution proposal approved by the Board of Directors, the Company will distribute a cash dividend of RMB 0.70 (inclusive of tax) per 10 shares to all shareholders on the basis of 1,697,077,809 shares (excluding the treasury shares), and will not distribute any bonus shares or transfer any capital reserve to the share capital.**

**Note:**

This document is a translated version of the Chinese Annual Report 2024 ("2024 年年度报告"). In case of any discrepancies, the Annual Report 2024 published in the Chinese version shall prevail. The full Chinese Annual Report 2024 is available at [www.cninfo.com.cn](http://www.cninfo.com.cn).

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## List of References

I. Financial statements signed and chopped by Mr. YUAN Yonggang, legal representative, Mr. WANG Xu, CFO, and Mr. ZHU Deguang, Accounting Supervisor of the Company;

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

III. Original of the Annual Report 2024 stamped with the seal and signed by the legal representative of the Company; and

IV. Place keeping such documents for inspection: Securities Department of the Company at Building 12#, Yunhe Town Headquarters Industrial Park, No. 99 East Taihu Road, Wuzhong District, Suzhou.

## Definitions

Term	means	Definition
Company, we or DSBJ	means	Suzhou Dongshan Precision Manufacturing Co., Ltd.
Electronic circuit	means	one of our three major business segments, including research and development (R&D), design, manufacturing and sale of FPCs, rigid PCBs, rigid-flex PCBs and other products.
Photoelectric display	means	one of our three major business segments, including R&D, design, manufacturing and sale of LED devices, touch panels, LCMs and other products.
Precision manufacturing	means	one of our three major business segments, including design, manufacturing and sale of precision metal structural components and assemblies and other products.
Yongchuang Communication	means	Suzhou Yongchuang Communication Technology Co., Ltd., a wholly owned subsidiary of the Company.
HongKong Dongshan	means	HongKong Dongshan Precision Union Optoelectronic Co., Limited, a wholly owned subsidiary of the Company.
Dragon Holdings	means	Dragon Electronix Holdings Inc., a wholly owned subsidiary of HongKong Dongshan.
MFLEX	means	Multi-Fineline Electronix, Inc., a wholly owned subsidiary of Dragon Holdings.
MFLEX Suzhou	means	MFLEX Suzhou Co., Ltd., a wholly owned subsidiary of MFLEX.
MFLEX Yancheng	means	MFLEX Yancheng Co., Ltd., a wholly owned subsidiary of MFLEX.
HongKong Dongshan Holding	means	HongKong Dongshan Holding Limited, a wholly owned subsidiary of the Company.
Multek Group	means	Multek Group (Hong Kong) Limited, a wholly owned subsidiary of HongKong Dongshan Holding.
Multek Industries	means	Multek Industries Limited, a wholly owned subsidiary of Multek Group.
Multek Electronics	means	Multek Electronics Limited, a wholly owned subsidiary of Multek Group.
Multek China	means	Multek China Limited, a wholly owned subsidiary of Multek Group.
Yancheng Dongshan	means	Yancheng Dongshan Precision Manufacturing Co., Ltd., a wholly owned subsidiary of the Company.
Mutto Optronics	means	Mutto Optronics Technology Co., Ltd., a wholly owned subsidiary of the Company.
RF Top Electronic	means	Suzhou RF Top Electronic Communication Co., Ltd., a controlled subsidiary of the Company.
Suzhou JDI	means	Suzhou JDI Electronics Inc.
Aranda	means	Aranda Tooling, Inc., AutoTech Production Services, Inc. and Autotech Production de Mexico S. de R. L. de C.V.
JDI	means	Japan Display Inc.
5G	means	the 5 <sup>th</sup> generation mobile communication technology.
AI	means	artificial intelligence, the simulation of human intelligence using computer programs.

Term	means	Definition
	ns	
AR	means	augmented reality, a technology that combines and integrates the virtual world on screen with the real world, based on precise calculation of position and angle of camera images and image analysis technology.
VR	means	virtual reality, a computer-simulated 3D virtual world with scenes and objects that appear to be real.
IoT	means	Internet of Things, a system of interrelated computing devices, mechanical and digital machines, that has a unique identifier (UID) and is capable of transmitting data over the network.
PCB	means	printed circuit board, a finished product with insulated substrates and conductors as materials, designed and made into printed circuits, printed components or a combination of conductive patterns according to the pre-designed circuit schematic diagram.
FPC	means	flexible printed circuit.
LED or LED device	means	light-emitting diode, a semiconductor diode that emits incoherent light when current flows through it, and the recombination of electrons and electron holes in the semiconductor produces radiation, for the purpose of this Report, including LED particles, LED light bars, LED backlight modules, LED lighting devices and other LED products.
Mini LED	means	sub-millimeter light emitting diode, an LED device with a grain size of about 50-200μm.
LCM	means	LCD module or LCD display module, formed by assembling LCD display device with the relevant connectors, control, driver and other peripheral circuits, PCB circuit board, backlight source, structural components and other components.
Touch panel	means	a device under the protection of transparent glass that detects touches using sensors, and processes and transmits the relevant information.
AOA	means	Articles of Association of Suzhou Dongshan Precision Manufacturing Co., Ltd.
CSRC	means	China Securities Regulatory Commission.
SZSE	means	Shenzhen Stock Exchange.
Reporting period	means	From January 1, 2024 to December 31, 2024
RMB and RMB 0'000	means	Renminbi and ten thousand Yuan respectively.

## Section II Company Profile and Financial Highlights

### I. Company Profile

Stock short name	DSBJ	Stock code	002384
Original stock short name (if any)	None		
Stock exchange	Shenzhen Stock Exchange		
Chinese name	苏州东山精密制造股份有限公司		
Chinese short name	东山精密		
English name (if any)	Suzhou Dongshan Precision Manufacturing Co., Ltd.		
English short name (if any)	DSBJ		
Legal representative	YUAN Yonggang		
Registered address	No. 288 Shanfeng Road, Wuzhong Economic Development Zone, Suzhou		
Postal code of the registered address	215124		
History of changes in the registered address	Our registered address was at Shangwan Village, Dongshan, Wuzhong District, Suzhou, Jiangsu when we were reorganized from Suzhou Dongshan Sheet Metal Co., Ltd. into Suzhou Dongshan Precision Manufacturing Co., Ltd. in 2007, and was changed into No. 88 Tangdong Road, Wuzhong Economic Development Zone, Suzhou on December 27, 2019, and changed to No. 288 Shanfeng Road, Wuzhong Economic Development Zone, Suzhou on July 19, 2024.		
Office address	Building 12#, Yunhe Town Headquarters Industrial Park, No. 99 East Taihu Road, Wuzhong District, Suzhou		
Postal code of office address	215128		
Company website	www.dsbj.com		
Email	dsbj@dsbj.com		

### II. Contact Person and Contact Information

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

### III. Media for Information Disclosure and Place for Keeping Annual Report

Website of the stock exchange disclosing the Company's annual report	Shenzhen Stock Exchange (www.szse.cn)
Media and website disclosing the Company's annual report	The <i>Securities Times</i> , the <i>China Securities Journal</i> , the <i>Shanghai Securities News</i> , the <i>Securities Daily</i> and www.cninfo.com.cn
Place for keeping the Company's annual report	Securities Department of the Company



#### IV. Changes in Registration Particulars

Unified social credit code	91320500703719732P
Changes in primary business since the listing of the Company (if any)	Since our IPO and listing, we have strategically included electronic circuit, photoelectric display and other electronic businesses in our industrial mix. We focus on the R&D and manufacturing of technologically advanced core components for the intelligently interconnected world, and the provision of comprehensive intelligent interconnection solutions to customers throughout the world.
Changes in controlling shareholder (if any)	None

#### V. Other Related Information

Accounting firm engaged by the Company:

Name of accounting firm	Pan-China Certified Public Accountants LLP
Office address of accounting firm	No. 128, Xixi Road, Lingyin Community, Xihu District, Hangzhou City, Zhejiang Province
Name of accountants signing this report	ZHANG Yang and FU Zhenlong

Sponsor engaged by the Company that performs the duties of ongoing supervision over the Company during the reporting period

☐ Applicable ☒ N/A

Financial advisor engaged by the Company that performs the duties of ongoing supervision over the Company during the reporting period

☐ Applicable ☒ N/A

#### VI. Key Accounting Data and Financial Indicators

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

☐ Yes ☒ No

	2024	2023	Y/Y % change	2022
Operating revenue (RMB)	36,770,374,347.58	33,651,205,468.80	9.27%	31,580,146,732.58
Net profit attributable to shareholders of the Listed Company (RMB)	1,085,641,847.89	1,964,525,269.65	-44.74%	2,368,347,970.02
Net profit attributable to shareholders of the Listed Company after deduction of non-recurring gain or loss (RMB)	898,627,278.48	1,614,534,226.22	-44.34%	2,126,582,862.82
Net cash flow from operating activities (RMB)	4,986,018,688.48	5,172,419,470.20	-3.60%	4,629,884,011.38
Basic earnings per share (RMB/share)	0.64	1.15	-44.35%	1.39
Diluted earnings per share (RMB/share)	0.64	1.15	-44.35%	1.39
Weighted average return on net assets	5.89%	11.38%	-5.49%	15.33%
	December 31, 2024	December 31, 2023	Y/Y % change	December 31, 2022
Total assets (RMB)	46,014,173,064.47	44,371,719,028.28	3.70%	40,802,606,803.61
Net assets attributable to shareholders of the Listed Company (RMB)	18,826,387,269.38	18,143,026,745.54	3.77%	16,378,630,871.35

Whether the lower of the net profit before and after the deduction of non-recurring gain or loss in the past three accounting years

has been negative and the most recent annual auditor's report indicates that the Company's ability to continue as a going concern is uncertain?

☐ Yes ☒ No

Whether the lower of net profit before and after the deduction of non-recurring gain or loss is negative?

☐ Yes ☒ No

## VII. Differences in Accounting Data under the Chinese Accounting Standards for Business Enterprises (the "CASBEs") and Overseas Accounting Standards

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

## VIII. Key Financial Indicators by Quarter

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating revenue	7,744,804,604.28	8,883,781,591.28	9,837,710,076.75	10,304,078,075.27
Net profit attributable to shareholders of the Listed Company	289,348,487.81	271,252,448.46	506,753,281.78	18,287,629.84
Net profit attributable to shareholders of the Listed Company after deduction of non-recurring gain or loss	261,306,973.35	254,713,523.24	492,413,794.62	-109,807,012.73
Net cash flows from operating activities	1,557,837,879.15	531,131,520.13	769,283,296.76	2,127,765,992.44

Whether there's any material difference between the financial metrics or aggregate amounts thereof set out above and the corresponding financial metrics set out in any quarterly report or semi-annual report of the Company already disclosed?

☐ Yes ☒ No

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

☒ Applicable ☐ N/A

In RMB

Item	2024	2023	2022	Remark
Gain or loss on disposal of non-current assets (including allowance for impairment of assets that has been written off)	-268,961,359.34	-26,367,874.21	-14,220,918.02	
Government grants recognized in profit or loss (excluding	483,141,623.05	249,253,139.50	317,926,133.80	

the government grants that are closely related to the business of the Company, conform to the applicable policies of the country, are provided in accordance with the established standards, and continuously affect the Company's profit or loss)				
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities, and gain or loss on disposal of financial assets and financial liabilities, except for effective hedges held in the ordinary course of business	-7,601,380.66	14,283,973.00	-63,657,229.48	
Gain or loss on assets under entrusted investment or management			10,408,683.62	
Reversal of allowance for impairment loss on accounts receivable assessed individually		1,250,000.00	9,500,583.33	
Other non-operating revenues and expenses	-3,547,316.95	-398,583.47	3,073,832.45	
Other gain or loss within the meaning of non-recurring gain or loss		134,812,863.84	956,961.84	
Less: Effect on income tax	13,516,787.94	22,244,723.86	21,900,816.79	
Effect on minority interests (exclusive of tax)	2,500,208.75	597,751.37	322,123.55	
Total	187,014,569.41	349,991,043.43	241,765,107.20	--

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

## Section III Management's Discussion and Analysis

### I. Situations of Our Industry During the Reporting Period

We are primarily engaged in the R&D, manufacturing and sale of electronic circuits, precision components, touch panel modules and LED display devices, etc. According to the *Industrial Classification for National Economic Activities* (GB/T 4754-2017), our main business belongs to “electronic circuit manufacturing” under “manufacturing of electronic components and electronic special materials” with the industry code C3982.

#### 1. Electronic circuits

Our electronic circuit products are printed circuit board (PCB), which is a general substrate board provided with point-to-point connections and printed components according to a predefined design. As an electric connection among various electronic components, it mainly functions for relay transmission. As substrates carrying electronic components and key connectors, the manufacturing quality of PCBs not only directly affects the reliability of electronic products, but also affects the overall competitiveness of system products, and therefore are referred to as the “mother of electronic system products”. To a certain extent, the development level of the PCB industry reflects the development speed and technical level of the electronic industry in a country or region.

At present, PCBs are in use for almost all electronic products, including consumer electronics, new energy vehicles, communication equipment, industrial control, medical and other industries, which leads to very strong market demands. The PCB industry, as one of the most important segment in the global electronic component sector, can be classified into flexible printed circuits (FPC), rigid circuit boards and rigid-flexible circuit boards. The specific classification and market prospects are as follows:

#### (1) Types and uses of PCBs

Thanks to the expansion of PCB applications and technology innovation, the PCB production process has been greatly improved since its release, with multiple derivative types coming out, mainly including:

Type		Feature	Main application areas
Flexible printed circuit (FPC)		A printed circuit board made of a flexible substrate consisting of three components – metal foil, adhesive and base film. It has the features of lightness, thinness and bendability.	Smartphones, tablet computers, new energy vehicles, wearable devices, VR, drones, touch screens, etc.
Rigid circuit board	Single-sided board	Only one side of the circuit board is provided with wires so that all electronic components are concentrated on one side. As the most basic PCB type, it is widely used in early electronic products.	Ordinary household appliances, remote controls, fax machines, etc.
	Dual-sided board	Given the wires provided on both sides, electronic components can be arranged on both sides as necessary.	Computer peripherals, household appliances, etc.
	Ordinary multi-layer board	A circuit board laminated with over three conductive pattern layers that are separated by insulating material layers between them, and the conductive patterns between layers can be connected as required.	Consumer electronics, communication equipment and automotive electronics, etc.
	High-layer board	A high-layer board generally contains over 18 layers with a thickness of less than 100mil, with the minimum wire width/minimum routing safety spacing of 0.075mm/0.075mm, and the aspect ratio greater than 12:1. More PCB layers lead to faster signal transmission, which improves the data processing performance.	Line cards and back boards of servers, high-end routers, memory, base stations and supercomputers, etc.
	HDI/ELIC Board	A high density interconnect board is a high-density precision board suitable for high-density wiring. Compared with conventional multi-layer boards, an HDI board can greatly	Smartphones, laptop computers, digital cameras, etc.

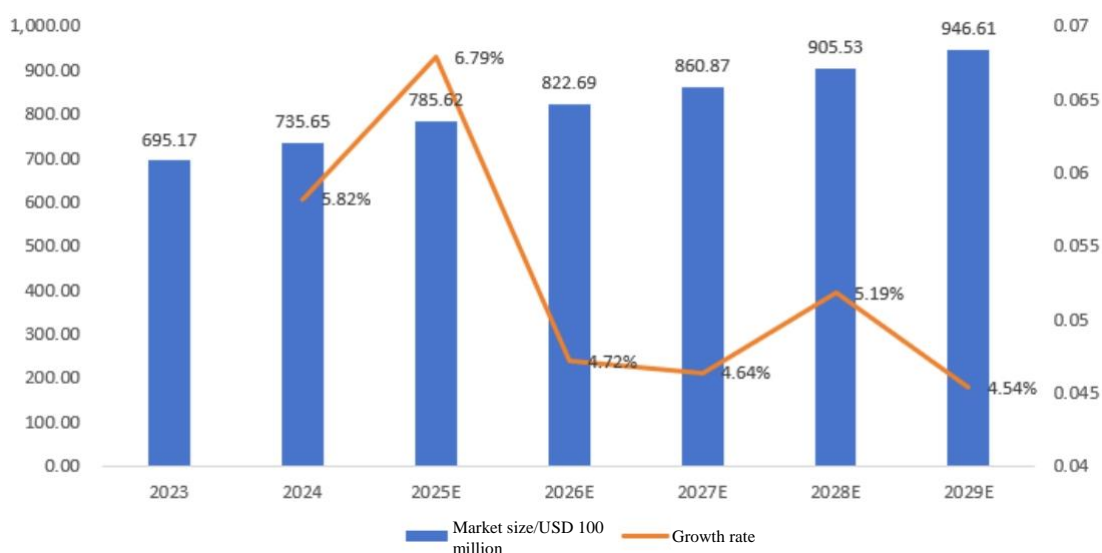
		increase the wiring density on the board and achieve printed board products with high density, small size, and multiple functions. For high-end communication products, the HDI technology can improve the signal integrity of such products, hence facilitating strict impedance control and improving product performance. ELIC stands for Every Layer Interconnection, which is a high-end product in HDI boards.	
	Rigid-flexible circuit board	As a combination of a rigid board and a flexible board, it has both the support function of the rigid board and the bending characteristics of the flexible board, and is suitable for certain products with special requirements. It can save internal space of products, reduce the size of the finished product, and improve product performance.	Communication equipment, computers, industrial control and medical field, aerospace, automotive electronics, consumer electronics, etc.

## (2) Prospects of the PCB market

### ① Overall market prospects of the PCB industry

PCBs are widely used in consumer electronics, new energy vehicles, communication equipment, industrial control, medical and other fields throughout the world. Along with intensive research and development (R&D) and continuous technology upgrading, PCB products are developing towards high density, small aperture and large capacity, and becoming lighter and thinner. Moreover, the rapid development of new energy vehicles, the Internet of Things, smart homes, wearable devices and other fields, together with the industrial innovation facilitated by AI technologies, has created a new round of development cycle for the PCB industry. According to the statistics of Prismark, a research institution, in February 2025, the total output value of the global PCB industry reached USD 73.565 billion in 2024, a year-on-year increase of 5.82%. In the future, given the accelerated penetration of AI technologies in terminal devices, the rapid expansion of global AI end products will become an important driver for the development of the PCB industry. Prismark predicts that the total output value of the global PCB industry will reach USD 78.562 billion and USD 94.661 billion in 2025 and 2029, respectively, with a compound annual growth rate of 4.8%.

Global market size and growth rate of PCBs in 2023–2029



Source: Prismark

### ② Prospects of the FPC market

A. The functional innovation of smartphones and the development of AI technologies create additional demands for FPC

The innovative development of smartphones, the addition of functions and configurations such as OLED screens, face recognition, multiple cameras, wireless charging, foldable screens, etc., and the iteration of technologies leads to additional components in smartphones and increasing capacity of batteries, which crowds the internal space of mobile phones and leads to increasing demands for lightweight, thin, and small-size FPCs with high-intensity wires. In addition, high-end Android models are also gradually using more FPCs in individual devices. In the future, the innovation of mobile phone functions and the greater integration will drive the rapid increase in the number of FPCs in a single device, and will raise more refined requirements on FPC products. During this process, top FPC manufacturers are actively making capital investment to rapidly improve their market competitiveness in the hope of acquiring more market shares.

In addition, on the background of the rapid development of AI technologies in recent years, more and more smartphone manufacturers are releasing AI mobile phones. IDC predicts that there will be 827 million AI mobile phones in 2027, reflecting a compound annual growth rate of 100.7% from 2023 to 2027. AI mobile phones come with both additional computing power and additional energy consumption. This change raises higher requirements on transmission, requiring high frequency, high speed and high density. Therefore, the FPC, thanks to its unique advantages in high-frequency, high-speed and high-density transmission, has a favorable prospect for its application. A replacement cycle driven by AI mobile phones and the use of more FPCs (and value) in AI mobile phones will create a new growth opportunity with certain certainty for FPCs. Since the addition of AI functions increases the difficulty in both soft board designing and processing, which leads to more intense high-end production capabilities, top manufacturers will stand out with their competitiveness.

#### B. The rapid development of innovative consumer electronics products led to more FPC demands

During the elimination of old models and release of new models on the consumer electronics market in recent years, the emerging markets of AR/VR, wearable devices, mobile phones with foldable screens, etc. experienced rapid growth, which led to further FPC demands on the market.

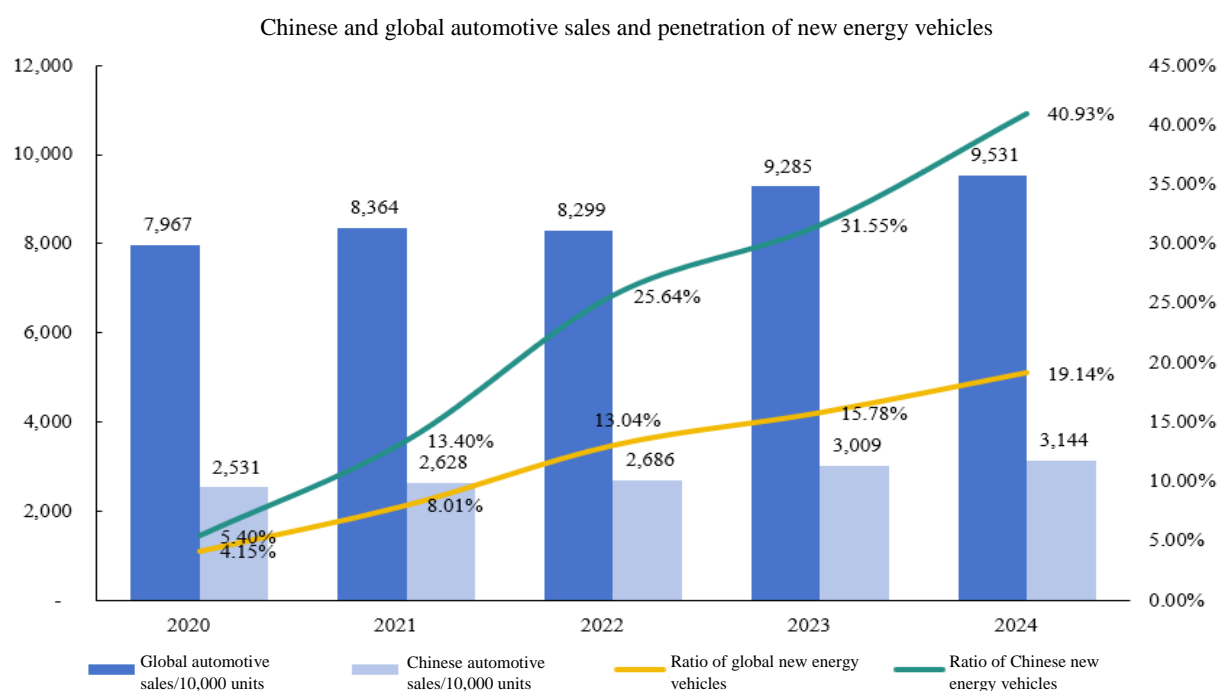
In the AR/VR field, the AR/VR industry has entered a period of rapid growth driven by the constant advancement of chips, display technologies and communication means and the development of meta universe. According to IDC, driven by innovation in software and hardware technologies, AI support, and the entry of terminal manufacturers, the overall AR/VR market will develop rapidly and the AR/VR shipment in China will increase by 114.7% in 2025 compared with 2024. In the field of wearable devices, the products need to carry more components to achieve more functions, and need to be lightweight and integrated at the same time; this raises additional requirements for the wire density, which will increase the use of FPCs in individual devices. Meanwhile, in the field of mobile phones with foldable screens, the application of dual screens, dual motherboards, multiple cameras and other structures will further increase the use of FPCs.

#### C. The rapid development of the new energy vehicle market led to the rapid growth of upstream FPC demands for new energy vehicles

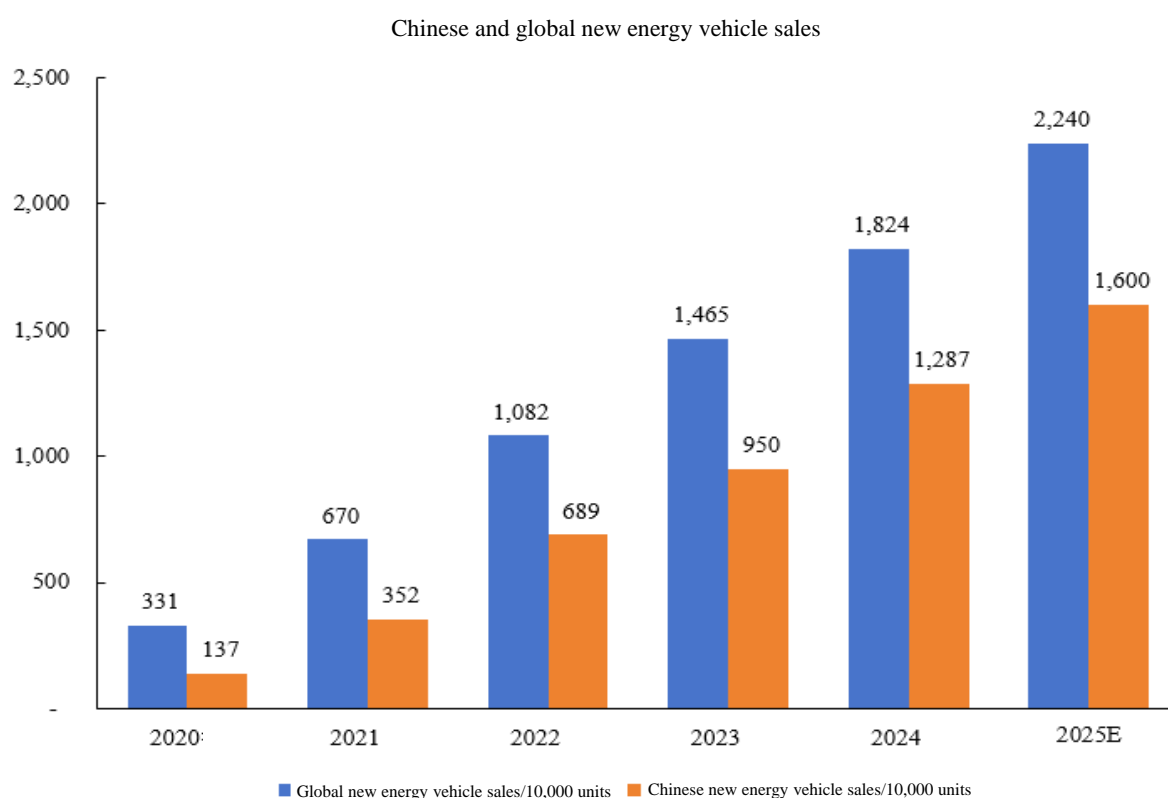
Thanks to its outstanding features of high wire density, light weight, thinness, being foldable and bendable, three-dimensional wiring, and high safety, in new energy vehicles, FPCs can be used in systems for automatic driving, entertainment, lighting, display, power, and battery management, and for devices such as sensors. On the background that mainstream automakers both in China and abroad have increased their efforts for the strategic layout of new energy vehicles, the new energy vehicle industry entered a high-speed growth period driven by the market, which leads to the rapid growth of upstream FPC demands for new energy vehicles.

In 2024, the global and Chinese automotive sales were 95.31 million and 31.44 million, respectively, up by 2.6% and 4.5% year-on-year; the global and Chinese new energy vehicle production and sales were 18.24 million and 12.87 million, respectively, up by 24.5% and 35.5% year-on-year, continuing to maintain the rapid growth. This indicates the ratio of 19.1% and 40.9% respectively for new energy vehicle sales against the total automotive sales, respectively, indicating that China has become an

important force leading the transformation of the global automotive industry.



Source: China Association of Automobile Manufacturers, OICA, EVTank



Source: China Association of Automobile Manufacturers, EVTank

D. The development of electric, intelligent, integrated, and lightweight new energy vehicles leads to increasing demands on on-board FPC market

FPC, given its advantages that are unavailable in other circuit board types, is more suitable for the development trend of lightweight, intelligent, and integrated electronic products in the downstream industries, and therefore is more suitable for new energy vehicles.

On the one hand, on the ground of development towards electric and intelligent automotive, the proportion of automotive electronics in the cost of the whole vehicle is gradually increasing, and according to the CCID Thinktank Electronic Information Research Institute, is expected to reach 50% in 2030. The improved electrification level leads to greater demands for electronic components for various automotive devices, including automatic driving, entertainment system, lighting system, display system, power system, battery management system, and sensors, which correspondingly requires more wire carriers to connect the electronic components. Therefore, the demand for vehicle FPC will further increase. According to iFixit, it is expected that FPCs used in a new energy vehicle will exceed 100 items, and up to 70 FPCs may be used for battery voltage monitoring.

On the other hand, the power batteries of early new energy vehicles mainly used conventional wiring harnesses, which were relatively bulky and complex in connection, and therefore could not meet the development trend of increasing electronic components for new energy vehicles. Instead, the automotive FPC, thanks to its lightweight, simple structure, convenient connection, and other advantages, has been widely used in new energy vehicles. By now, the FPC connection solution has become a major solution in power batteries of new energy vehicles; it is developing towards integration as a cells contact system (CCS). A CCS consists of an FPC, plastic structural parts, copper and aluminum bars, etc. The FPC is connected to copper and aluminum bars and plastic structural parts to create an electrical connection and structural component for signal detection. It is highly customizable, simple in installation, can be directly placed on a battery package, and therefore is more suitable for automatic production of power batteries and leads to greater value of individual vehicles.

According to CITIC Securities Research Institute, the global market size of power battery CCS will reach RMB 28.12 billion in 2025, indicating a compound annual growth rate of 62.33% from 2021 to 2025. In addition, it is expected that the replacement of conventional wiring harnesses with FPC in batteries will further extend to the field of energy storage, hence further increasing the FPC market demands. According to the CITIC Securities Research Institute, the market size of energy storage batteries CCS was RMB 180 million in 2021, and will reach RMB 4.43 billion in 2025, indicating a compound annual growth rate of 122.73% from 2021 to 2025.

## **2. Precision components**

In recent years, on the background that China's new energy vehicle industry experienced continuous growth at a high speed thanks to the green and low-carbon transformation, we have actively made arrangement of the precision component business for the new energy vehicle industry, and enhanced both capital investment and the efforts for business development, which resulted in rapid growth of the revenue from relevant products. By now, our precision component products are mostly precision metal structural products for new energy vehicles, including heat radiators, battery housing, white vehicle body, battery structural parts, and other auto parts for new energy vehicles. The rapid development of the new energy vehicle industry created new development opportunities for the relevant precision component market.

(1) Developing new energy vehicles is the only way for China to move from a big automotive consumer country to a strong automotive manufacturing country, and the only way to respond to climate change and promote green development

At present, on the background of a new round of global scientific and technological revolution and industrial transformation, the integration of automotive with energy, transportation, information communication, and other relevant areas is accelerating, where the development trend is electric, connected, and intelligent vehicles in the industry. New energy vehicles integrate multiple



transformative technologies, including new energy, new materials, the Internet, big data, artificial intelligence etc., which promotes automotive to transform from a simple means of transportation to mobile smart terminals, energy storage units and digital space, drives the transformation and upgrade of the energy, transportation, information and communication infrastructure, promotes the optimization of energy consumption structure, and improves the intelligent transportation system and urban operation. It is of great significance to building a clean and beautiful world and building a community for human beings as a whole. In recent years, given the enhanced strategic planning and strengthened policy support by major automotive powers and the increased R&D investment and comprehensive industry deployment by multinational automotive manufacturers, new energy vehicles have become a major direction for the transformation of the global automotive industry and a significant engine for driving the continuous growth of the world economy. To promote the development of new energy vehicles is the only way for China to move from a big automotive consumer country to a strong automotive country, and the only way to respond to climate change and promote green development.

(2) The new energy vehicle industry is in a period of rapid growth with new development opportunities for the industry chain

Under the wave of automotive electrification around the world, mainstream automakers both in China and abroad have increased their efforts for the strategic layout of new energy vehicles, which promoted the new energy vehicle industry to enter a high-speed growth period driven by the market.

The rapid growth of the new energy vehicle market created many growth opportunities for relevant companies in the industry chain, such as precision metal structural parts. While the engine, gearbox and auxiliary parts of conventional vehicles are replaced by the core components of new energy vehicles – the three major systems including power batteries, drive motors and electronic control systems and auxiliary parts thereof, the market demand for related parts are increasing. In addition, given the development trend of electric and intelligent vehicles, the rapid evolution of core technologies in the automotive industry, and the rise of new forces in automotive manufacturing, the supply chain pattern has also been reshaped – where automotive parts meeting the lightweight, electric and intelligent demands of automotive parts come out one after the other, which created an opportunity for China's manufacturers capable of developing and producing relevant products to enter the industry chain of automotive parts and develop into a global leading manufacturer of automotive parts.

### **3. Touch panel modules**

Our touch panel modules are widely used in laptop, tablet, smart watch, on-board display and other fields, which develop along with the development of the relevant downstream industries.

#### **(1) Consumer electronics**

With the development of smartphones and tablet computers, consumers have formed a habit of touch operation, all major laptop brands have launched laptops with touch panels. The emergence of convertible laptops, 2 in 1 laptops and other innovative products will continuously increase the penetration of laptops with touch panels, and further drive the market demands for touch panel module products. According to Wind, the global shipment of laptop computers in 2022, 2023, and 2024 was 186 million, 166 million, and 202 million, respectively, while the global shipment of tablet computers was 150 million, 135 million, and 144 million, indicating a rising trend of market demands.

#### **(2) Automotive**

On-board displays mainly include central control displays, dashboards, and emerging head-up displays (HUD), electronic rearview mirrors, passenger/rear seat displays, which are key interactive hardware for automotive intelligentization. With the

development of technologies, automotive, especially new energy vehicle manufacturers actively strive to improve their brand competencies through intelligentization, driving the rapid development of on-board display modules. According to the CITIC Securities Research Institute and Zhongshang Industry Research Institute, the global on-board display market size was about USD 9.5 billion in 2023, and is expected to achieve USD 13.840 billion in 2025, representing a compound annual growth rate of about 20.7% from 2023 to 2025.

#### 4. LED display devices

Our LED display device products mainly include small-pitch LEDs, Mini LEDs and other products packaged in granule form. These products are mainly used in, among others, indoor and outdoor small-pitch high-definition display screens. The year 2024 witnessed both challenges and opportunities for the LED industry – on the one hand, the industry experienced intensified competition and reduced average prices, on the other hand, the market competition and technology advancement created new development opportunities for the market. The trend of LED development is to continuously reduce the size of and pitch between beads – the pitch is greater than 2.5mm in conventional LEDs, smaller than 2.5mm for small-pitch LEDs, 0.3mm–1mm for Mini LEDs, and even smaller for Micro LEDs. Compared with Mini LEDs, the number of chips in a Micro LED will be nearly a hundred times of that in a Mini LED of the same area. Given that Mini/Micro LEDs are an important direction for the development of future display technologies, as the technology advances and the scale effects of the industry chain expand, the demands for various new application areas will be released, so that Mini/Micro LEDs may become a future breaking point in the industry. In the display backlight area, thanks to their better image rendering effects for LCDs, Mini LED backlight products are gradually replacing conventional LED light sources on the TV, monitor, and on-board display markets – Mini LED backlight products are penetrating rapidly on the market. Relying on the advantages of long service life, small size, high brightness, low power consumption, self-luminous, etc., Micro LEDs are known as the “ultimate display technology”. At present, it has achieved breakthrough in AR/VR and large-screen direct display areas, and it is expected that the market application will accelerate given the advancement of technologies and reduction in costs.

## II. Situations of our Primary Business during the Reporting Period

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

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

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

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

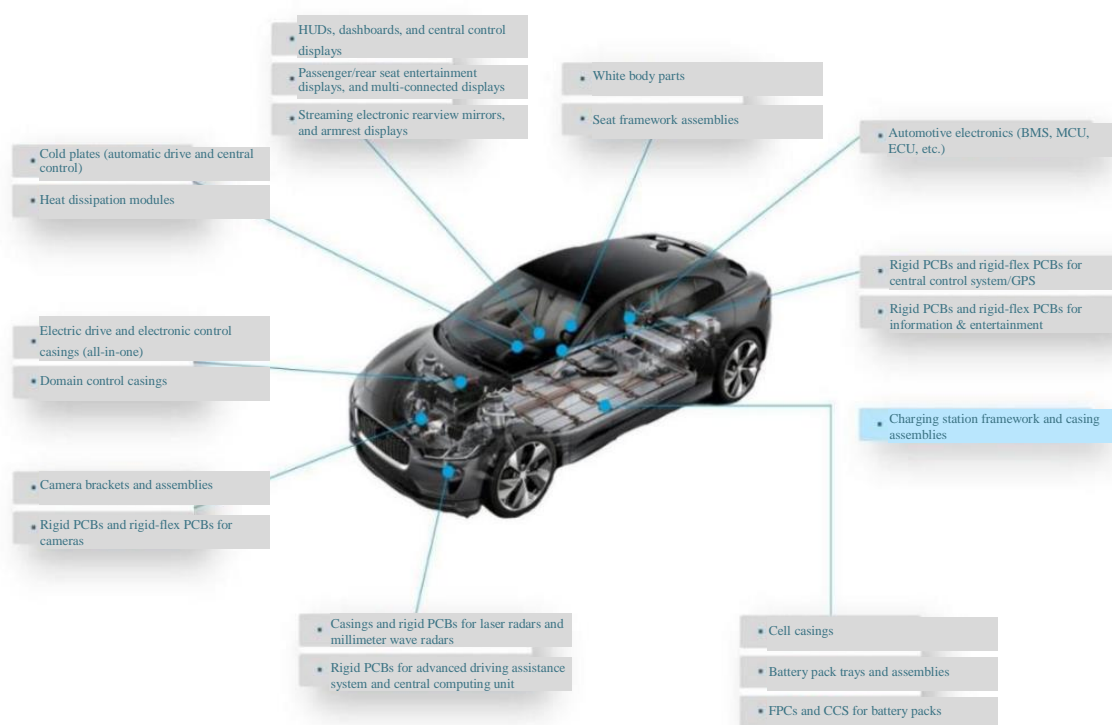
We manufacture main products based on market demands, and adopt the production model that determines production according to sales, under which we develop production plans and deliver products taking into account the purchase orders placed by customers, the product quantities demanded by the customers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

(1) Our main products and their applications:

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

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



(3) Our situation in the industry:

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

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

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

Thanks to the launch of the second racetrack (new energy), we have rapidly become one of the few vendors able to provide the new energy vehicle manufacturers with PCBs (including FPCs), on-board displays, functional and structural components, and other products and integrated solutions. At present, we have achieved good operating results in our new energy business in aspects of the product strategy, technology accumulation, customer development etc. In the future, we will leverage our advantages in the coverage of multiple industry chains and the provision of integrated solutions to further improve customer adhesion.

### III. Core Competencies of DSBJ

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

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

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

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

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

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

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

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

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

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

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

We closely follow the national development strategies, actively take part in global economic competitions, and continuously enhance the integration of high-quality resources of the industry. In recent years, we have established operating entities with different functions in North America, Europe, Southeast Asia and other countries and regions. Under the main strategy of “two-wheel drive”, we focus on the two key fields of consumer electronics and new energy vehicles. In order to actively respond to the demands of customers, we have accelerated the development of overseas production bases. In this year, the Thailand base has started construction with topping out completed, and the bases in Mexico and the United States are running smoothly. We continuously enhance our overseas talent force to further improve our international operating capabilities, which facilitates a new

layout of domestic and international development enhancing each other, so as to actively respond to the complex competition environment.

## IV. Analysis of Primary business

### 1. Overview

Given the complex and changing global economic situations during the reporting period, we operated in a steady, proactive and diligent manner to face challenges from the outside. Focusing on the “two-wheel drive” development strategy of consumer electronics and new energy, we maintained stable growth of the electronic circuit business while actively seeking new growth opportunities from new energy and other emerging businesses. We paid great attention to the growth of our own capabilities and the improvement of our core competitiveness to maintain continuous investment in research, production and sales. In 2024, we moved steadily in private placement efforts, achieved obvious results in system governance and data governance, and performed well in environmental, social and governance efforts. In 2024, we recorded an operating revenue of RMB 36,770,374,300, a year-on-year increase of 9.27%. Consequently, for 2024, we have achieved a net profit of RMB 1,085,641,800, reflecting a year-on-year decrease of 44.74%. The main reason is that, based on the principle of prudence, we optimized the LED business operation and management by integrating and optimizing certain inefficient equipment, which led to the loss of assets disposal in the amount of RMB 164 million and the provision for impairment losses of assets in the amount of RMB 595 million for the LED business. With the impact of the factors above eliminated, the net profit in 2024 decreased by about 5% year on year. Below is a summary of our main business activities in the reporting period:

#### I. Continuous industry investment to consolidate the foundation for future development

Striving to grasp the opportunities of the era under the macro background of a new round of accelerated iteration of science and technologies, based on our rich experience in consumer electronics and new energy, we enhanced investment both in R&D innovation and in new production capabilities and new products, especially in forward-looking products and technologies intended for the future, which guaranteed the growth of our operating income despite the adverse environment. We actively embrace AI and enhance data governance to build digital infrastructure and achieve system integration, and explore new applications of AI technologies in smart manufacturing and R&D innovation scenarios. Meanwhile, we strengthened the industry-university alliance to promote innovation and upgrade, and worked with scientific research institutions for active deployment of innovative technologies to promote in-depth integration between scientific and technological innovation and industrial innovation. The continuous investments help to lay a solid ground for the future development of the Company.

#### II. The new energy business manifested its growth advantages and strong synergy with the core business

We closely followed the industry development trend of new energy vehicles and rapidly entered this new racetrack by means of new investment, acquisition, merger, etc. At present, we have achieved good operating results in our new energy business in aspects of the product strategy, technology accumulation, customer development etc. During the reporting period, our new energy business achieved an overall revenue of RMB 8.65 billion, a year-on-year increase of 36.98%, accounting for 23.52% of our revenue. We have built an advantageous position in the industry of on-board FPC, liquid-cooling boards, battery housing, on-board display, and other products, which products were highly recognized by customers. By now, the new energy business has become a strong engine for our future development, and given the strong synergy of the new energy business with various business segments in terms of products, customers, and production capacity, this business showed favorable resilience and competitiveness and will facilitate the high-quality and sustainable development of our businesses.

#### III. People-oriented institutional reform to build the core development driver

Keeping our development strategy and market demands in mind, in this year, we made great efforts to implement factory relocation and integration and the continuous institutional optimization, which greatly improved our operating efficiency. Meanwhile, we enhanced our efforts for talent building by combining recruitment with personnel growth. On the one hand, we started the “Evergreen Plan” to attract outstanding graduating students and made greater efforts for recruiting medium- and high-profile talents; on the other hand, we actively deepened the efforts for building an internal talent growth system and conducted a series of courses and activities focusing on the competence improvement of engineers and the cultivation of the engineer culture, so as to provide the talent guarantee for the high-quality development of the Company. Moreover, by advocating our culture and building a matching system, we enhanced the efforts for implementing our core values of “openness, inclusion, pragmatism and enterprising”, hence enhancing the sense of belonging for our employees and cohesiveness of the team.

#### IV. Implemented a stable financial strategy to support the fulfillment of our strategic objectives

During the reporting period, we continued to implement an active and stable financial strategy. We paid close attention to changes in the external environment, made adjustment as appropriate, worked for continuous improvement, and constantly improved the financial management and control procedures to further improve our capabilities against operating risks and support the fulfillment of our business development and strategic objectives. Adhering to the strategy of cash first, we continuously optimized our capital structure, liquidity planning and budget system, and implemented a variety of prudent financial measures to meet the capital needs for our business development and ensure liquidity security. Based on a series of management mechanisms covering the regulations, procedures, and operation guidelines of foreign exchange and commodities, we adhered to the principle of risk neutrality and made use of effective hedging instruments to hedge market fluctuation risks. We started efforts for integration of business and finance to promote the synergy between business and financial efforts, improve quality and efficiency, and effectively achieve a closed-loop from strategy formulation to implementation.

## 2. Revenue and costs

### (1) Components of operating revenue

In RMB

	2024		2023		Y/Y % change
	Amount	% of operating revenue	Amount	% of operating revenue	
Total operating revenue	36,770,374,347.58	100%	33,651,205,468.80	100%	9.27%
By segment					
Computer, communication and other electronics	36,479,191,979.20	99.21%	33,475,973,831.47	99.48%	8.97%
Others	291,182,368.38	0.79%	175,231,637.33	0.52%	66.17%
By product					
Electronic circuits	24,800,813,670.87	67.45%	23,261,396,022.09	69.13%	6.62%
LED display devices	768,133,556.04	2.09%	1,190,456,597.34	3.54%	-35.48%
Touch panels and LCMs	6,369,925,398.02	17.32%	4,861,904,092.14	14.45%	31.02%
Precision components	4,540,319,354.27	12.35%	4,162,217,119.90	12.37%	9.08%
Other businesses	291,182,368.38	0.79%	175,231,637.33	0.52%	66.17%
By region					
Domestic market	6,187,309,236.49	16.83%	5,649,268,947.33	16.79%	9.52%
Overseas market	30,583,065,111.09	83.17%	28,001,936,521.47	83.21%	9.22%
By sales model					
Direct sales	36,770,374,347.58	100.00%	33,651,205,468.80	100.00%	9.27%

**(2) Segments, products, regions or sales models representing more than 10% of operating revenue or profit**
☒ Applicable ☐ N/A

In RMB

	Operating revenue	Operating cost	Gross margin	Y/Y % change in operating revenue	Y/Y % change in operating cost	Y/Y % change in gross margin
By segment						
Computer, communication and other electronics	36,479,191,979.20	31,384,152,613.81	13.97%	8.97%	10.41%	-1.12%
By product						
Electronic circuits	24,800,813,670.87	20,252,229,450.04	18.34%	6.62%	9.92%	-2.45%
LED display devices	768,133,556.04	1,082,588,478.06	-40.94%	-35.48%	-28.21%	-14.27%
Touch panels and LCMs	6,369,925,398.02	6,158,426,707.63	3.32%	31.02%	28.95%	1.55%
Precision components	4,540,319,354.27	3,890,907,978.08	14.30%	9.08%	4.70%	3.59%
By region						
Domestic market	6,187,309,236.49	5,936,342,692.90	4.06%	9.52%	10.03%	-0.43%
Overseas market	30,583,065,111.09	25,678,665,936.49	16.04%	9.22%	10.94%	-1.30%
By sales model						
Direct sales	36,770,374,347.58	31,615,008,629.39	14.02%	9.27%	10.77%	-1.16%

Note:

1. The gross profit of LED display devices decreased by 14.27% year-on-year, primarily due to the overall demand of the industry that is lower than expected, intensified competition, further decline in sales and product unit prices, and continuous decline in capacity utilization. Despite our continuous efforts to reduce costs and increase efficiency, the decline in the unit price of products was greater than the decline in unit costs, which further reduced the gross profit in 2024.
2. The gross margin of precision components increased by 3.59% year-on-year, primarily due to the newly built Kunshan and Yancheng production bases for expanding the business of new energy vehicle parts, which were put into production in the first half of 2024, and major customers that achieved mass production, which improved the gross margin.
3. In 2024, our new energy business achieved an overall revenue of RMB 8.65 billion, a year-on-year increase of 36.98%, accounting for 23.52% of our revenue.

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

☐ Applicable ☒ N/A
**(3) Whether the Company's revenue from the sale of tangible goods is higher than the revenue from labor services?**
☒ Yes ☐ No

Segment	Item	Unit	2024	2023	Y/Y % change
Electronic circuits	Sales volume	m <sup>2</sup>	5,544,309.55	3,978,943.86	39.34%
	Output	m <sup>2</sup>	5,579,598.88	3,952,946.76	41.15%
	Inventories	m <sup>2</sup>	144,171.33	108,882.00	32.41%
LCM	Sales volume	PC	14,178,588.00	11,373,591.00	24.66%
	Output	PC	14,511,811.00	11,318,183.00	28.22%



Segment	Item	Unit	2024	2023	Y/Y % change
	Inventories	PC	4,153,831.00	3,820,609.00	8.72%
LED display devices	Sales volume	PC	115,582,164,575.00	139,815,431,644.00	-17.33%
	Output	PC	101,072,744,899.00	133,986,681,041.00	-24.57%
	Inventories	PC	5,192,324,156.00	19,701,743,832.00	-73.65%
Precision components	Sales volume	PC	142,828,973.00	106,339,767.00	34.31%
	Output	PC	143,509,247.00	106,794,715.00	34.38%
	Inventories	PC	31,487,670.00	30,807,396.00	2.21%

Analysis of changes in the relevant data over 30% compared to the previous year:

☐ Applicable ☒ N/A

**(4) Performance of material sales contracts and material purchase contracts by the Company as of the end of the reporting period**

☐ Applicable ☒ N/A

**(5) Components of operating costs**

In RMB

Category of products	Item	2024		2023		Y/Y % change
		Amount	% of operating costs	Amount	% of operating costs	
Computer, communication and other electronics	Direct material costs	22,405,786,966.83	71.39%	21,024,091,679.66	73.96%	6.57%
	Direct labor costs	2,243,766,105.86	7.15%	1,967,953,288.58	6.92%	14.02%
	Manufacturing and other costs	6,734,599,541.12	21.46%	5,433,115,374.42	19.11%	23.95%

**(6) Changes in the scope of consolidation during the reporting period**

☒ Yes ☐ No

**1. Subsidiaries newly included in the scope of consolidation**

Company name	Method of acquisition of shares	Date of acquisition of shares	Contribution amount	Percentage of capital contribution
Multi-Fineline Electronics Hungary KFT.	Established	2024/10/1	3 million forint	100.00%

**2. Subsidiaries removed from the scope of consolidation**

Company name	Method of disposal of shares	Date of disposal of shares	Net assets at the date of disposal (RMB)	Net profit from January 1, 2024 to the date of disposal (RMB)
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Company name	Method of disposal of shares	Date of disposal of shares	Net assets at the date of disposal (RMB)	Net profit from January 1, 2024 to the date of disposal (RMB)
Suzhou Dongjiyuan Metal Technology Co., Ltd.	Deregistration	2024/10/31	20,717,958.77	-5,095,836.89
Suzhou Dongyan Electronic Technology Co., Ltd.	Deregistration	2024/9/30	4,444.91	-2,454,766.61
Suzhou Dongbo Precision Manufacturing Co., Ltd.	Deregistration	2024/10/31	-8,396.69	-2,129,557.91
Dongwei Smart Suzhou Co., Ltd.	Deregistration	2024/11/30	1,498,438.09	362,699.56
MFLX B.V.	Deregistration	2024/11/30	5,450,708.20	36,652.32
Multek Zhuhai Limited	Disposed	2024/11/29	45,512,563.11	-26,482,744.30

**(7) Material changes or adjustments in respect of business, products or services of the Company during the reporting period**

☐ Applicable ☒ N/A

**(8) Major customers and suppliers**

Major customers of the Company

Aggregate sales revenue from top 5 customers (RMB)	26,122,314,433.03
Proportion of aggregate sales revenue from top 5 customers to annual sales revenue	71.04%
Proportion of aggregate sales revenue from related parties among top 5 customers to annual sales revenue	0.00%

Particulars of top 5 customers

No.	Name of customer	Sales revenue (RMB)	% of annual sales revenue
1	Top 1	18,857,615,031.18	51.28%
2	Top 2	3,262,286,704.78	8.87%
3	Top 3	2,015,190,094.50	5.48%
4	Top 4	1,194,968,640.10	3.25%
5	Top 5	792,253,962.47	2.15%
Total	--	26,122,314,433.03	71.04%

Other information of major customers

☐ Applicable ☒ N/A

Major suppliers of the Company

Aggregate purchase amount from top 5 suppliers (RMB)	6,214,361,954.86
Proportion of aggregate purchase amount from top 5 suppliers to annual purchase cost	26.08%
Proportion of aggregate purchase amount from related parties among top 5 suppliers to annual purchase cost	0.00%

Particulars of top 5 suppliers

No.	Name of supplier	Purchase amount (RMB)	% of annual purchase cost
1	Top 1	1,674,439,965.00	7.03%
2	Top 2	1,347,591,878.62	5.66%
3	Top 3	1,318,214,361.05	5.53%

4	Top 4	942,614,865.50	3.96%
5	Top 5	931,500,884.69	3.90%
Total	--	6,214,361,954.86	26.08%

Other information of major suppliers

☐ Applicable ☒ N/A

### 3. Expenses

In RMB

	2024	2023	Y/Y % change	Reason of material changes
Selling expenses	454,017,787.21	362,094,101.76	25.39%	
Administrative expenses	1,112,402,085.44	957,323,918.86	16.20%	
Financial expenses	-58,736,447.60	189,131,736.69	-131.06%	Mainly due to exchange rate fluctuations in the current period, resulting in exchange gains.
R&D expenses	1,266,812,544.23	1,161,190,274.48	9.10%	

### 4. R&D expenses

☒ Applicable ☐ N/A

Description of major R&D project	Purpose	Progress	Expected effect on the future development of the Company
Development of indoor/outdoor RGB high contrast brightening design structure technologies	To improve competitive advantage by improving the brightness under the same configuration	Completed	The technology and market competitiveness of the relevant products will be improved.
Indoor RGB pin size increase (single lamp benchmark two-in-one)	To improve the pin thrust of products for rent to protect lamp beads in use from being knocked off	Completed	The technology and market competitiveness of the relevant products will be improved.
Research of 3030 high power > 3w	Cutting-edge technology research for the future high-voltage and high-power market	Completed	The technology and market competitiveness of the relevant products will be improved.
Research of white light POB visual effects	To respond to further cost reduction in the future market, which ensures visual effects while improving the O/P ratio	Completed	The technology and market competitiveness of the relevant products will be improved.
Outdoor high-spot light bead dispensing solution	To customize lamp beads and focus the light effect depending on customers' use scenarios, so as to greatly improve the brightness of the lamp beads	Completed	The technology and market competitiveness

Description of major R&D project	Purpose	Progress	Expected effect on the future development of the Company
			of the relevant products will be improved.
Research of integrated lamp and drive (AMIP)	To integrate the most cutting-edge MIP technology of LED display screen with AM IC to improve product stability, solve the problems caused by conventional drivers, eliminate the caterpillar effect, and achieve better display effects	In progress	The technology and market competitiveness of the relevant products will be improved.
Research of Micro LED technologies	To respond to the development of micro LED in new fields in the future to move along the technical route in a timely manner	In progress	The technology and market competitiveness of the relevant products will be improved.
Reduction of the length of through-hole back drilling stubs	To simplify the process by eliminating the back drilling step	Completed	The technology and market competitiveness of the relevant products will be improved.
Embedded vertical components	To provide the customers with buried components solutions	Completed	The technology and market competitiveness of the relevant products will be improved.
Development of dimple board process technologies	To reduce board thickness and circuit board size to improve the integration and space utilization of circuit boards	Completed	The technology and market competitiveness of the relevant products will be improved.
Chip-embedded circuit board	To improve system integration to improve the efficiency and reliability of the system	In progress	The technology and market competitiveness of the relevant products will be improved.
R&D of head-up display screen (HUD)	Customized development of 4.1-inch head-up display screen, to be used for automotive head-up display	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D of automotive display screen	Customized development of 10.25-inch touch-integrated display screen, to be used as automotive instrument display screen	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D of high-definition automotive display screen	Customized development of 15.6-inch 2.5K touch-integrated display screen, to be used as automotive central control and rear	Under verification	The technology and market

Description of major R&D project	Purpose	Progress	Expected effect on the future development of the Company
	display screens		competitiveness of the relevant products will be improved.
Training table for experiments	To provide customers with training and operation platforms	Completed	The technology and market competitiveness of the relevant products will be improved.
Intelligent nut tightening actuator	To design and assemble a nut tightening mechanism and feeding mechanism for customers' humanoid robots	Stage of sample production	The technology and market competitiveness of the relevant products will be improved.
Liquid-cooled AI server	To improve the design capabilities of the liquid cooling industry	Stage of sample optimization	The technology and market competitiveness of the relevant products will be improved.
R&D of high-efficiency thermal resistance testing technology for a chip's water cooling plate	A thermal resistance test method for component bonding degree based on natural convection cooling	In progress	The technology and market competitiveness of the relevant products will be improved.
Clips AOI detection	To improve whole examination efficiency and reduce labor efforts	Completed	The technology and market competitiveness of the relevant products will be improved.
4680 LID fully automatic hydrocarbon cleaning machine	To improve product cleaning efficiency and cleanliness	Completed	The technology and market competitiveness of the relevant products will be improved.
4680 LID automatic helium inspection line	To optimize the process and procedure and reduce labor efforts	Completed	The technology and market competitiveness of the relevant products will be improved.
4680 LID single-chip AOI inspection	To improve whole examination efficiency and reduce labor efforts	Completed	The technology and market competitiveness of the relevant products will be improved.
4680 LID helium inspection	To optimize the process and procedure and reduce labor efforts	Completed	The technology

Description of major R&D project	Purpose	Progress	Expected effect on the future development of the Company
automatic feeder			and market competitiveness of the relevant products will be improved.
4680 LID AOI automatic receiving machine	To optimize the process and procedure and reduce labor efforts	Completed	The technology and market competitiveness of the relevant products will be improved.
Automatic coding and sorting line for large cylindrical housing	To develop the automatic production process and procedure for the whole shell line, so as to reduce labor efforts and improve production efficiency	Plan under assessment	The technology and market competitiveness of the relevant products will be improved.
Automatic cleaning line for large cylindrical housing	To develop the automatic production process and procedure for the whole shell line, so as to reduce labor efforts and improve production efficiency	Plan under assessment	The technology and market competitiveness of the relevant products will be improved.
AOI inspection for large cylindrical housing	To develop the automatic production process and procedure for the whole shell line, so as to reduce labor efforts and improve production efficiency	Plan under assessment	The technology and market competitiveness of the relevant products will be improved.
Riveting line for large cylindrical housing	To develop the automatic production process and procedure for the whole shell line, so as to reduce labor efforts and improve production efficiency	Plan completed, riveting proofing in progress	The technology and market competitiveness of the relevant products will be improved.
Automatic helium inspection line for large cylindrical housing	To develop the automatic production process and procedure for the whole shell line, so as to reduce labor efforts and improve production efficiency	Plan under assessment	The technology and market competitiveness of the relevant products will be improved.
Mono multi-band integrated design	To provide customers with small-size solutions	In progress	The technology and market competitiveness of the relevant products will be improved.
FDD multi-band dielectric wave guide	Technical expansion	Completed	To improve competitiveness in the future market
Dual-mode multi-channel mixed-mode multiplexer	New technology breakthrough	In progress	The technology and market

Description of major R&D project	Purpose	Progress	Expected effect on the future development of the Company
			competitiveness of the relevant products will be improved.
Low-frequency duplexer for TM2 ceramic solutions	Breakthrough in product performance	Completed	The technology and market competitiveness of the relevant products will be improved.
Multi-frequency antenna high-frequency ultra-wideband radiation unit	New technology breakthrough	Completed	The technology and market competitiveness of the relevant products will be improved.
Multi-frequency antenna low-frequency filtering radiation unit	New technology breakthrough	Completed	The technology and market competitiveness of the relevant products will be improved.
Multi-frequency antenna with 16 ports-2L4H	Technical expansion	Completed	To expand the product portfolio and improve competitiveness
Massive MIMO-5G antenna calibration network	To meet customers' demand for products for Massive MIMO	Completed	To expand the product portfolio and improve competitiveness
Multi-frequency new dual-polarization phase shifter	To reduce costs and increase efficiency	In progress	The technology and market competitiveness of the relevant products will be improved.
CO2/UV laser protective film window opening	To open a window in the CO2/UV laser protective film, which eliminates the welding process and reduces costs	In progress	The technology and market competitiveness of the relevant products will be improved.
Multi-layer FPC with embedded components	To embed components into FPC through flexible board process to expand the application of FPC	In progress	The technology and market competitiveness of the relevant products will be improved.
Simulation analysis and design method of CVL liner peeling process failure	To optimize the design of CVL and reduce the trial and error cost of the process through simulation	In progress	The technology and market competitiveness

Description of major R&D project	Purpose	Progress	Expected effect on the future development of the Company
			of the relevant products will be improved.
Development and application of FCCL/CVL materials for dynamic bending and thinning	To provide customers with thinner FPC solutions	In progress	The technology and market competitiveness of the relevant products will be improved.
FPC dynamic bending life improvement technology	To provide customers with solutions for the reliability of dynamic bending FPC	In progress	The technology and market competitiveness of the relevant products will be improved.
Development, mass production and application of ink pre-middle roughening solution	To develop the roughening solution independently to reduce costs	In progress	The technology and market competitiveness of the relevant products will be improved.
25 micron/25 micron line development by subtractive layer process	The project uses existing process equipment to develop fine circuits by adjusting the process	In progress	The technology and market competitiveness of the relevant products will be improved.
R&D of electromagnetic touch screens	To make use of the solution without a through hole to solve a series of problems such as high cost, high production difficulty, high power consumption and opacity in conventional electromagnetic films with a through hole	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D to improve the light conversion rate of photovoltaic cells	To simplify the grid process of photovoltaic cells, improve the yield of the process and improve the efficiency of photoelectric conversion, hence increasing the electrical energy converted from photoelectricity	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D to improve the durability of touch screens	To improve the durability of Metal Mesh touch screens to prevent discoloration and functional failure of touch screens in outdoor environments with high UV intensity and high humidity, hence extending the service life of touch screens	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D to improve the conductivity of touch screens	To improve FPC pull-out force and copper adhesion to prevent FPC from tearing or falling off, and improve the yield of the process and production efficiency; meanwhile, the improved conductivity performance will lead to improved touch effects of touch screens	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D of integrated black touch screens	To solve the poor effects of the integrated black effect in conventional touch screens by eliminating the obvious boundary	Completed	The technology and market



Description of major R&D project	Purpose	Progress	Expected effect on the future development of the Company
	line between the visible area and the ink area, hence improving visual experience for users		competitiveness of the relevant products will be improved.
R&D of touch screens preventing short circuit and disconnection	To solve the problem of short circuit of the touch screen under long-term exposure to ultraviolet light, hence preventing functional failures	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D for fully automated production of touch screens	To solve the problems of insufficient precision, time-consuming and labor-intensive, and electrostatic damage in the target shooting process, improve product production efficiency and yield of the process, and reduce production costs	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D of membrane switch touch screens	To solve the problem of switch function failures caused by push-type or rotary switches in use for a long period of time	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D of non-coating bubble device	To eliminate the bubbles inside the coating blade which cannot be completely discharged during the coating production process, resulting in the disconnection of the circuit or metal grid after etching, and improve the yield of the process	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D for optimizing relevant devices of touch screens	To prevent the photoresist from falling off the surface of the developed Metal Mesh copper plating layer, prevent the Metal Mesh from breaking during the etching process, prevent Metal Mesh functional failures, and improve the yield of the Metal Mesh process	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D of anti-static touch screens	To prevent the accumulation of static electricity during the production process from causing static damage to the front lines of the Metal Mesh sensor and FPC, and improve the anti-static performance of the Metal Mesh sensor and FPC	Completed	The technology and market competitiveness of the relevant products will be improved.
R&D for optimizing the tearing process for touch screens	To simplify the process to greatly reduce labor costs, reduce the risk of scratches and folds, and improve production yield and process yield	In progress	The technology and market competitiveness of the relevant products will be improved.
R&D of photosensitive touch screens	To solve the problem that the touch screen cannot adjust the screen brightness automatically under environments of different brightness	In progress	The technology and market competitiveness of the relevant products will be improved.
R&D for optimizing the	To solve the problem that the adjacent deviation and capacitance	In progress	The technology

Description of major R&D project	Purpose	Progress	Expected effect on the future development of the Company
electrical test of touch screens	value of the single-sided broken line product cannot be controlled through false piezoelectric measurement, hence preventing identifying defective products with a single-sided broken line as qualified and reducing production costs of the subsequent process and improving the actual yield of the process		and market competitiveness of the relevant products will be improved.
R&D of ultra-fine metal mesh touch screens	To reduce the Mesh line width of Metal Mesh and randomize metal mesh shape, hence eliminating moiré patterns on the touch screen; meanwhile, to improve the screen-to-body ratio and transmittance rate of touch screens by increasing the luminous flux, hence enhancing visual experience for users	In progress	The technology and market competitiveness of the relevant products will be improved.

## Particulars of R&amp;D personnel

	2024	2023	Y/Y % change
Number of R&D personnel	4,619	4,148	11.35%
Ratio of R&D personnel to the total number of employees	19.64%	18.39%	1.25%
Education background of R&D personnel			
Undergraduate	1,908	1,639	16.41%
Master	120	84	42.86%
Age of R&D personnel			
Below 30	1,375	1,085	26.73%
30-40	2,074	1,996	3.91%

## Particulars of R&amp;D expenses

	2024	2023	Y/Y % change
Amount of R&D expenses (RMB)	1,266,812,544.23	1,161,190,274.48	9.10%
Ratio of R&D expenses to operating revenue	3.45%	3.45%	0.00%
Amount of R&D expenses capitalized (RMB)	0.00	0.00	0.00%
Ratio of capitalized R&D expenses to total R&D expenses	0.00%	0.00%	0.00%

## Reasons and impacts of major changes in the composition of the Company's R&amp;D personnel

☐ Applicable ☒ N/A

## Reasons for the significant change in the ratio of total R&amp;D expenses to operating revenue compared with the previous year

☐ Applicable ☒ N/A

## Reasons for the significant change in the capitalization rate of R&amp;D expenses and explanation of the reasonableness thereof

☐ Applicable ☒ N/A

## 5. Cash flows

In RMB

Item	2024	2023	Y/Y % change
Cash provided by operating activities	39,078,913,419.97	34,941,233,653.10	11.84%
Cash used in operating activities	34,092,894,731.49	29,768,814,182.90	14.53%
Net cash flows from operating activities	4,986,018,688.48	5,172,419,470.20	-3.60%
Cash provided by investing activities	1,465,360,913.36	1,064,753,668.60	37.62%
Cash used in investing activities	5,559,047,058.72	5,903,655,994.11	-5.84%
Net cash flows from investing activities	-4,093,686,145.36	-4,838,902,325.51	15.40%
Cash provided by financing activities	10,305,980,684.26	14,694,460,630.69	-29.86%
Cash used in financing activities	11,625,348,087.09	14,937,008,144.70	-22.17%
Net cash flows from financing activities	-1,319,367,402.83	-242,547,514.01	-443.96%
Net increase in cash and cash equivalents	-300,886,635.94	187,460,195.61	-260.51%

Explanation about the main factors affecting the significant year-on-year changes in relevant data

☒ Applicable ☐ N/A

1. The net cash flows from financing activities decreased by 443.96% year-on-year, primarily due to the decrease in both financing inflow and outflow given the overall stability of free cash flow during the reporting period, the repayment of certain short-term due debts, the continuous optimization of debt structure, and the overall extension of maturity for the debts, and the high amount cash dividends to shareholders in 2024.

2. The net increase in cash and cash equivalents decreased by 260.51% year-on-year, primarily due to certain additional financing for acquisition projects in the previous year, which resulted in the net inflow from financing activities that was obviously greater than the current reporting period. In addition, the net cash flow from operating activities of the Company during the reporting period was slightly lower than the same period last year.

Reasons for the significant difference between the net cash flow from operating activities of the Company during the reporting period and the net profit of the year

☐ Applicable ☒ N/A

## V. Analysis of Non-primary Business

☐ Applicable ☒ N/A

## VI. Analysis of Assets and Liabilities

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

In RMB

	December 31, 2024		January 1, 2024		Y/Y % change	Reason of material changes
	Amount	% of total assets	Amount	% of total assets		
Cash and bank balances	7,172,331,252.29	15.59%	7,190,036,231.06	16.20%	-0.61%	
Accounts receivable	7,663,458,025.49	16.65%	7,713,164,772.05	17.38%	-0.73%	
Inventories	6,152,655,607.85	13.37%	6,293,879,276.54	14.18%	-0.81%	
Investment	781,129.10	0.00%	1,038,840.26	0.00%	0.00%	

properties						
Long-term equity investment	155,008,795.68	0.34%	155,406,879.89	0.35%	-0.01%	
Fixed assets	13,595,191,232.40	29.55%	12,415,251,689.80	27.98%	1.57%	
Construction in progress	2,575,154,318.35	5.60%	1,842,525,188.54	4.15%	1.45%	Primarily because the newly invested overseas production base was under construction.
Right-of-use assets	1,313,776,299.13	2.86%	1,252,668,050.83	2.82%	0.04%	
Short-term borrowings	4,810,954,130.69	10.46%	5,156,100,217.01	11.62%	-1.16%	
Contract liabilities	122,562,435.14	0.27%	28,982,676.07	0.07%	0.20%	Primarily due to the increase in consideration received or receivable from customers recognized in accordance with the revenue standards during the reporting period
Long-term borrowings	5,289,187,891.33	11.49%	4,706,280,338.76	10.61%	0.88%	
Lease liabilities	1,351,518,837.18	2.94%	1,842,799,193.80	4.15%	-1.21%	

Analysis of the high proportion of overseas assets

☒ Applicable ☐ N/A

Assets	Method of acquisition	Amount (RMB)	Location	Mode of operation	Controls for guaranteeing the security of assets	Income	Proportion of overseas assets to net assets	Whether it involves risk of material impairment loss
HongKong Dongshan Precision Union	Established	27,166,736,144.40	Hong Kong, China	R&D and sales	Its manufacturing entity is located in China	1,074,281,312.46	51.60%	No
Multek Group	Established	4,604,150,553.76	Hong Kong, China	R&D and sales	Its manufacturing entity is located in China	53,844,299.68	14.16%	No
Other information	N/A							

## 2. Assets and liabilities measured at fair value

☒ Applicable ☐ N/A

In RMB

Item	Opening	Gain or	Aggregate	Impairment	Amount	Amount	Other	Closing
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	balance	loss on changes in fair value	changes in fair value recorded in equity	loss recognized in the current period	acquired in the current period	sold in the current period	changes	balance
<b>Financial assets</b>								
1. Financial assets held for trading (excluding derivative financial assets)	47,442,038.61	-13,243,914.03				34,198,124.58		0.00
2. Derivative financial assets	26,920,185.50	542,533.29	-2,731,300.00		317,119,242.88	327,584,473.64	665,778.00	14,931,966.03
4. Investment in other equity instruments	71,779,147.66				13,697,316.92	22,264,087.66		63,212,376.92
Subtotal of financial assets	146,141,371.77	-12,701,380.74	-2,731,300.00		330,816,559.80	384,046,685.88	665,778.00	78,144,342.95
Total	146,141,371.77	-12,701,380.74	-2,731,300.00		330,816,559.80	384,046,685.88	665,778.00	78,144,342.95
Financial liabilities	104,174,076.23	5,196,713.48	3,878,954.06		2,653,788.42	32,981,142.02		82,922,390.17

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

☐ Yes ☒ No

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

#### Restriction on assets at the end of the reporting period

Item	Closing book balance (RMB)	Closing carrying value (RMB)	Type of restriction	Reason for restriction
Cash and bank balances	1,828,730,869.92	1,828,730,869.92	Pledge	Security deposit for notes, etc.
Accounts receivable	90,000,000.00	90,000,000.00	Pledge	Factoring
Accounts receivable financing	47,745,743.70	47,745,743.70	Pledge	Pledge of notes
Fixed assets	690,336,250.99	190,880,378.32	Mortgage	Security for loans, sales and leaseback
Right-of-use assets	1,582,499,405.56	1,258,999,636.74	Mortgage	Finance lease
Total	4,239,312,270.17	3,416,356,628.68		

## VII. Analysis of Investments

### 1. Overview

☒ Applicable ☐ N/A

Amount of investment in the reporting period (RMB)	Amount of investment in the previous period (RMB)	Y/Y % change
569,000,000.00	2,016,314,450.00	-71.78%

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

### 4. Investment in financial assets

#### (1) Investment in securities

☐ Applicable ☒ N/A

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

#### (2) Investment in derivatives

☒ Applicable ☐ N/A

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

☒ Applicable ☐ N/A

In RMB 0'000

Type of investment in derivatives	Initial investment amount	Opening balance	Gain or loss on changes in fair value	Aggregate changes in fair value recorded in equity	Amount acquired in the current period	Amount sold in the current period	Closing balance	% of net assets at the end of the reporting period
Commodity futures	16,561.58	9,940.16	3,106.79	0	63,559.13	62,263.88	14,342.2	0.76%
Total	16,561.58	9,940.16	3,106.79	0	63,559.13	62,263.88	14,342.2	0.76%
Hedge accounting policies and principles adopted for the reporting period and significant changes in such policies and principles compared to the previous reporting period	None							

Actual profit or loss for the reporting period	The loss on commodity futures transactions recorded in profit or loss was RMB 31,067,900.
Effect of hedging	We conduct hedging transactions for the purpose of leveraging the hedging function of futures, mitigating the effect of market price fluctuations of raw materials and products on our production and operating costs, and prices of our main products, enhancing our overall risk resistance capacity, and improving our financial soundness.
Source of funds for investment in derivatives	Self-owned funds
Analysis of risks associated with the derivatives held in the current period (including without limitation market risk, liquidity risk, credit risk, operational risk and legal risk) and related risk control measures	Refer to the <i>Announcement of Commodity Futures Hedging Transactions</i> disclosed by us for the relevant risk analysis and controls.
Changes in the market price or fair value of the derivatives held in the current period (in the analysis of the fair value of derivatives, the specific approaches, assumptions and parameters used shall be disclosed)	We are mainly engaged in hedging transactions with mainstream products on major domestic futures markets. The derivatives traded by us have a transparent and active market, and their transaction prices and settlement prices can fully reflect their fair value.
Litigations involved (if applicable)	None
Disclosure date of the announcement of the board of directors approving the investment in derivatives (if any)	December 30, 2023

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

☐ Applicable ☒ N/A

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

## 5. Use of offering proceeds

☒ Applicable ☐ N/A

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

☒ Applicable ☐ N/A

In RMB 0'000

Year of offering	Method of offering	Listing date of securities	Total offering proceeds	Net offering proceeds (1)	Total amount of offering proceeds used in the current period	Aggregate amount of offering proceeds already used (2)	Ratio of used offering proceeds at the end of the reporting period (3) = (2) / (1)	Total amount of offering proceeds the purpose of which was changed in the current period	Aggregate amount of offering proceeds the purpose of which has been changed	Percentage of offering proceeds the purpose of which has been changed	Total amount of unused offering proceeds	Purpose and whereabouts of unused offering proceeds	Total amount of offering proceeds that has remained unused for more than two years
2020	Private placement of shares	August 6, 2020	289,225.58	286,395.39	26,114.53	287,249.89	100.30%	22,449.78	84,015.25	29.34%	0	N/A	0
Total	--	--	289,225.58	286,395.39	26,114.53	287,249.89	100.30%	22,449.78	84,015.25	29.34%	0	--	0
Description of the overall use of offering proceeds													
<p>With the approval of the CSRC under the <i>Reply on Approval of Private Placement of Shares by Suzhou Dongshan Precision Manufacturing Co., Ltd.</i> (Zheng Jian Xu Ke [2020] No. 980), we privately offered 103,294,850 RMB-denominated ordinary A-shares at the offer price of RMB 28.00 per share to specified investors through the lead underwriter Tianfeng Securities Co., Ltd., and raised RMB 2,892,255,800 in total, and after deduction of the underwriter's fee and sponsor's fee totaling RMB 22,169,800 (exclusive of tax), the balance of the offering proceeds, RMB 2,868,755,800, was remitted to our supervisory account of offering proceeds by Tianfeng Securities Co., Ltd. on July 13, 2020. After the deduction of the accountant's fee, attorney's fee, legal information disclosure fee and other external costs directly relating to the offering of equity securities, totaling RMB 6,132,100 (exclusive of tax), the amount of net offering proceeds was RMB 2,863,953,900 (exclusive of tax). Pan-China Certified Public Accountants LLP verified the receipt of such offering proceeds, and issued the <i>Capital Verification Report</i> (PCCPA Capital Verification [2020] No. 5-9).</p>													

## (2) Committed investment projects using offering proceeds

☒ Applicable ☐ N/A

In RMB 0'000

Name of financing project	Listing date of securities	Committed investment project and use of over-raised	Nature of project	Whether the project has been changed or partially changed	Total committed investment amount	Total investment amount as adjusted (1)	Amount invested in the current period	Aggregate amount already invested as of the end of the reporting period	Progress of investment as of the end of the reporting period (3) = (2)/(	Date when the project is ready for its intended use	Income earned in the current period	Cumulative benefits realized as of end of the reporting period	Whether the project has produced the desired result	Whether there's any significant change in the feasibility of the project
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		funds						period (2)	1)			d		ct
Committed investment project														
Private placement of shares 2020	August 6, 2020	400,000 m <sup>2</sup> fine line FPC production and assembly capacity expansion project	Production construction	No	80,338.48	80,338.48		79,798.34	99.33%	January 5, 2022	24,318.49	81,709.45	Yes	No
Private placement of shares 2020	August 6, 2020	Ultra-fine circuit board project of MFL EX Yancheng	Production construction	Yes		22,449.78	22,491.54	22,491.54	100.19%	June 30, 2026			N/A	No
Private placement of shares 2020	August 6, 2020	Multi 5G high-speed high-frequency and high-density PCB technology upgrading project	Production construction	Yes	65,958.46	43,508.68	3,622.99	43,312.7	99.55%		4,105.46	13,286.76	No	Yes
Private placement of shares 2020	August 6, 2020	Multi PCB production line technology	Production construction	No	72,805.89	72,805.89		71,858.33	98.70%	April 19, 2023	11,453.05	30,220.83	Yes	No

		upgrading project												
Private placement of shares 2020	August 6, 2020	FPC for new energy application and assembly project of MFL EX Yancheng	Production construction	Yes		61,565.47		61,368.3	99.68%	August 24, 2023	7,422.76	10,161.99	Yes	No
Private placement of shares 2020	August 6, 2020	Wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.	Production construction	Yes	70,122.75	8,557.28		8,420.68	98.40%				N/A	Yes
Subtotal				--	289,225.58	289,225.58	26,114.53	287,249.89	--	--	47,299.76	135,379.03	--	--
Use of over-raised funds														
N/A	August 6, 2020	N/A	Production construction	No	0	0	0	0	0.00%		0	0	N/A	No
Total				--	289,225.58	289,225.58	26,114.53	287,249.89	--	--	47,299.76	135,379.03	--	--
Failure to		Affected by the international environment in terms of chip supply, technical support, equipment procurement												

meet the scheduled progress and produce the desired result and reason thereof (please describe on a project-by-project basis, including the reason for selecting N/A in the column “whether the project has produced the desired result”)	and market prospect, among others in China’s 5G industry, the progress of the 5G project construction in China was slowed down. In light of other factors such as changes in domestic and international economic environment and market demand, and intensified competition within the industry, etc., the benefit of the “Multek 5G high-speed high-frequency and high-density PCB technology upgrading project” grew slowly and fell short of expectations. Therefore, during the reporting period, we changed the “Multek 5G high-speed high-frequency and high-density PCB technology upgrading project” into the “ultra-fine circuit board project of MFLEX Yancheng”.
Reason for significant change in the feasibility of the project	<p>1. Under the effect of changes in the macroeconomic environment and the international environment in recent years, the progress of the 5G project construction in China was slowed down and failed to meet the expectation. In light of other factors such as changes in domestic and international economic environment and market demand, and intensified competition within the industry, etc., the progress of investment in the original “Multek 5G high-speed high-frequency and high-density PCB technology upgrading project” was slow. Therefore, in order to improve the efficient use of offering proceeds, we have decided to cease the production and construction of such project, and to change the same into the “ultra-fine circuit board project of MFLEX Yancheng”.</p> <p>2. Due to the bottleneck in the development of 5G communication, weak downstream demands and other unfavorable factors, the progress of the “wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.” fell short of expectations. In light of the rapid development of the new energy vehicle market and rising demands of the on-board FPC market, as a component supplier for the international leading new energy vehicle manufacturers, we need to further improve our industrial deployment, capability to serve the downstream customers, and overall competencies. Therefore, in order to ensure the efficient use of offering proceeds, we have decided to change the “wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.” into the “FPC for new energy application and assembly project of MFLEX Yancheng”.</p>
Amount and use of over-raised offering proceeds and progress of use thereof	N/A
Change in the place of the committed investment project	N/A
Adjustment of the method of implementation of the committed investment project	N/A
Funds pre-invested in the	Applicable
	At the 3 <sup>rd</sup> meeting of the 5 <sup>th</sup> Board of Directors, the <i>Proposal for Replacing the Self-raised Funds Pre-invested</i>

investment project and replacement thereof	<i>in the Committed Investment Projects with the Idle Offering Proceeds</i> was considered and adopted, approving the replacement of the funds of RMB 399,591,400 pre-invested in the committed investment projects with the offering proceeds. The replacement was completed in 2020.
Temporary replenishment of working capital with the idle offering proceeds	Applicable  At the 2 <sup>nd</sup> meeting of the 6 <sup>th</sup> Board of Directors held on June 12, 2023, the <i>Proposal for Temporary Replenishment of Working Capital with the Idle Offering Proceeds</i> was considered and adopted, approving the temporary replenishment of working capital with the idle offering proceeds up to RMB 250 million. As of December 31, 2024, we have returned all of the above idle offering proceeds temporarily replenishing the working capital to the dedicated account of offering proceeds.
Amount of surplus offering proceeds and reason thereof	Applicable The project implementation led to a surplus of the offering proceeds in the total amount of RMB 6,810,000.  1. The “400,000 m <sup>2</sup> fine line FPC production and assembly capacity expansion project”, the “Multek PCB production line technology upgrading project” and the “FPC for new energy application and assembly project of MFLEX Yancheng” have been completed with the investment as committed. RMB 6,651,800, or 0.23%, of the offering proceeds designated for these projects were left unused. Such surplus was achieved because we followed the principle of reasonableness, economy and effectiveness, used the offering proceeds prudently, enhanced control, supervision and management of all kinds of expenses, reasonably allocated and optimized all kinds of resources, and reasonably reduced the relevant costs and expenses. In addition, we earned certain interest income from the offering proceeds.  2. The offering proceeds committed for the project “ultra-fine circuit board project of MFLEX Yancheng” after the change made in this period have been fully invested, with a surplus of RMB 158,200 due to the interest income generated during the deposit period of the offering proceeds.
Purpose and whereabouts of unused offering proceeds	As of December 31, 2024, the amount of unused offering proceeds was RMB 6,810,000, including the surplus offering proceeds of RMB 6,651,800 after the completion of projects used to permanently replenish the working capital and the surplus of RMB 158,200 from the “ultra-fine circuit board project of MFLEX Yancheng”.
Problems or any other issues in the use and disclosure of offering proceeds	N/A

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

☒ Applicable ☐ N/A

In RMB 0'000

Name of financing project	Method of offering	New project	Original committed project	Amount of offering proceeds to be invested in the new project (1)	Amount invested in the current period	Aggregate amount already invested as of the end of the reporting period	Progress of investment as of the end of the reporting period (3)	Date when the project is ready for its intended use	Income earned in the current period	Whether the project has produced the desired result	Whether there's any significant change in the feasibility of the
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						(2)	=(2)/(1)				project
Private placement of shares 2020	Private placement of shares	Ultra-fine circuit board project of MFLEX Yancheng	Multek 5G high-speed high-frequency and high-density PCB technology upgrading project	22,449.78	22,491.54	22,491.54	100.19 %	June 30, 2026		N/A	No
Private placement of shares 2020	Private placement of shares	FPC for new energy application and assembly project of MFLEX Yancheng	Wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.	61,565.47		61,368.3	99.68%	August 24, 2023	7,422.76	Yes	No
Total	--	--	--	84,015.25	22,491.54	83,859.84	--	--	7,422.76	--	--
Reason for change, decision-making procedures and information disclosure (please describe on a project-by-project basis)			<p>1. Regarding the original “Multek 5G high-speed high-frequency and high-density PCB technology upgrading project” which was mainly intended for the field of mobile communication, we arranged the investment schedule based on market demand, with the amount of input primarily used for equipment purchase and installation. The related assets can still be used in the future, in furtherance of our overall automation level and production efficiency. Meanwhile, the project had come into service and generated investment benefits. However, due to the impact of the international environment on chip supply, technical support, equipment procurement, and market prospects of China’s 5G industry, etc., the progress of 5G project construction in China was slowed down. In light of other factors such as changes in domestic and international economic environment and market demand, as well as intensified competition within the industry, the investment in the project showed slow progress. Therefore, we have decided to change such project into the “ultra-fine circuit board project of MFLEX Yancheng”. The corresponding change in the use of offering proceeds was approved at the 9<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors and the 7<sup>th</sup> meeting of the 6<sup>th</sup> Board of Supervisors held on April 16, 2024, and the annual general meeting in 2023 held on May 10, 2024, and disclosed on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>, and our designated newspapers for information disclosure.</p> <p>2. Due to the bottleneck in the development of 5G communication, weak downstream demands and other unfavorable factors, the progress of the “wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.” fell short of expectations.</p>								

	In light of the rapid development of the new energy vehicle market and rising demands of the on-board FPC market in recent years, as a component supplier for the international leading new energy vehicle manufacturers, we need to further improve our industrial deployment, capability to serve the downstream customers, and overall competencies. Therefore, in order to ensure the efficient use of offering proceeds, we have decided to change the “wireless module production and construction project of Yancheng Dongshan Communication Technology Co., Ltd.” into the “FPC for new energy application and assembly project of MFLEX Yancheng”. Such change in the use of offering proceeds was approved at the 19 <sup>th</sup> meeting of the 5 <sup>th</sup> Board of Directors and the 13 <sup>th</sup> meeting of the 5 <sup>th</sup> Board of Supervisors held on February 17, 2022, and the first extraordinary general meeting in 2022 held on March 8, 2022, and disclosed on www.cninfo.com.cn, and our designated newspapers for information disclosure.
Failure to meet the scheduled progress and produce the desired result and reason thereof (please describe on a project-by-project basis)	None
Reason for significant change in the feasibility of the project	None

## VIII. Sale of Material Assets and Equities

### 1. Sale of material assets

☐ Applicable ☒ N/A

No material asset has been sold during the reporting period.

### 2. Sale of material equities

☐ Applicable ☒ N/A

## IX. Analysis of Major Subsidiaries and Associates

☒ Applicable ☐ N/A

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

In RMB

Company name	Type of company	Primary business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
HongKong Dongshan Precision Union	Subsidiary	Design, R&D, sale and after-sale services in respect of electronic circuits; investment holding	HKD 10,000,000	27,166,736,144.40	9,714,798,857.80	39,581,796,189.66	1,301,260,574.56	1,074,281,312.46
Multek Group	Subsidiary	Design, R&D, sale and after-sale services in	USD 218,248,360.27	4,604,150,553.76	2,665,352,542.92	4,174,307,298.52	79,571,064.95	53,844,299.68

		respect of electronic circuits; investment holding						
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Subsidiaries acquired or disposed of during the reporting period

☒ Applicable ☐ N/A

Company name	Method of acquisition or disposal	Effect on overall production, operation and results
Multi-Fineline Electronics Hungary KFT.	Established	No material effect on our operating results in the current period
Suzhou Dongjiyuan Metal Technology Co., Ltd.	Deregistration	No material effect on our operating results in the current period
Suzhou Dongyan Electronic Technology Co., Ltd.	Deregistration	No material effect on our operating results in the current period
Suzhou Dongbo Precision Manufacturing Co., Ltd.	Deregistration	No material effect on our operating results in the current period
Dongwei Smart Suzhou Co., Ltd.	Deregistration	No material effect on our operating results in the current period
MFLX B.V.	Deregistration	No material effect on our operating results in the current period
Multek Zhuhai Limited	Disposed	No material effect on our operating results in the current period

## X. Structured Entities Controlled by the Company

☐ Applicable ☒ N/A

## XI. Prospects for Future Development of the Company

### (I) Our development strategy

We focus on high-quality development, enhance systemic thinking, make top-level designs, strictly defend the bottom line of operation; actively embrace AI, focus on the two key fields of consumer electronics and new energy vehicles; enhance business deployment, increase R&D funding, enable industrial development, fully exploit internal resources and potentialities; implement comprehensive budget management, focus on key products, serve key customers, insist on prudent operation, maintain a healthy financial position; optimize the organization structure, enhance the training of personnel; actively implement the integration of informatization and industrialization, and drive the transition from “manufacturing” to “intelligent manufacturing”.

### (II) 2026 business plan

(1) Strengthen research of the industry and concentrate resources and advantages to actively promote the research, development and investment of forward-looking products;

(2) Adhere to the business strategy of “increasing revenues, income and ROE”;

(3) Actively embrace AI to accelerate expansion and improve operating efficiency;

(4) Maintain a healthy financial position, and continuously optimize the capital structure;

(5) Enhance system governance and data governance, and promote high-quality development of the Company;

(6) Continuously optimize the organization structure and personnel training; and

(7) Continue to enhance ESG value and sustainable development capabilities, and explore topics of green, low-carbon and sustainable development.

### (III) Main risk factors

#### 1. Risk of concentration of customers

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

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

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

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

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

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

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

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

#### 4. Risk of market exploitation

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

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

#### 5. Environmental risk

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



If the country puts forward stricter environmental protection requirements, we may need to increase the funding for environmental protection, which would increase our environmental protection costs and in turn affect our results.

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

#### 6. Foreign exchange risk

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

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

## XII. Investigation, Research, Communication, Interview and Other Activities during the Reporting Period

☒ Applicable ☐ N/A

Date	Place	Method of communication	Type of guests	Guests	Main topics of discussion and information provided	Particulars of the investigation and research activity available at
April 18, 2024	Online	Communication by telephone	Institutional investors	GF Securities and other 311 investors	Interpretation of our annual report, etc.	www.cninfo.com.cn
April 25, 2024	Online	Communication by telephone	Others	Hua Chuang Securities and other 241 investors	Interpretation of our first quarter report, etc.	www.cninfo.com.cn
May 10, 2024	Meeting room of the Company	On-site investigation	Others	China Securities Investor Services Center and other individual investors	Deployment and planning of the new energy sector, etc.	www.cninfo.com.cn
July 11, 2024	Meeting room of the Company	On-site investigation	Institutional investors	Changjiang Securities and other 34 institutions	FPC, LED, new energy businesses, etc.	www.cninfo.com.cn
July 17, 2024	Meeting room of the Company	On-site investigation	Institutional investors	Minsheng Electronics and other 84 institutions	FPC, LED, new energy businesses, etc.	www.cninfo.com.cn
August 20, 2024	Meeting room of the Company	On-site investigation	Institutional investors	Hua Chuang Securities and other 669 institutional	Interpretation of our semi-annual report, etc.	www.cninfo.com.cn

Date	Place	Method of communication	Type of guests	Guests	Main topics of discussion and information provided	Particulars of the investigation and research activity available at
				investors		
September 9, 2024	Online	Communication through the online platform	Others	Investors	PCB, new energy business, etc.	www.cninfo.com.cn
October 29, 2024	Online	Communication by telephone	Others	Investors	Interpretation of our third quarter report, etc.	www.cninfo.com.cn
November 6, 2024	Online	Communication through the online platform	Others	Investors	“Two-wheel drive” strategy, PCB, new energy business, etc.	www.cninfo.com.cn

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

Whether the Company has formulated a market value management system?

☐ Yes ☒ No

Whether the Company has disclosed a valuation improvement plan?

☐ Yes ☒ No

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

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

☒ Yes ☐ No

We conscientiously implemented the guiding idea proposed by the meeting of the Politburo of the Chinese Communist Party “to activate the capital market and boost investor confidence” and by the routine meeting of the State Council “to vigorously improve the quality and investment value of listed companies, take more powerful and effective measures, and focus on stabilizing the market and confidence”, and formulated an action plan to improve the quality and returns in consideration of our development strategy, operating conditions and financial conditions, so as to safeguard the interests of all our shareholders, enhance investor confidence, and promote the long-term healthy and sustainable development of the Company. For details, refer to the *Announcement on the Action Plan to Improve the Quality and Returns* (Announcement No.: 2024-011) we disclosed on www.cninfo.com.cn on March 1, 2024.

We actively respond to the special action of “improving the quality and returns” by strengthening business management, improving core competitiveness, profitability and comprehensive risk management capabilities, promoting sustainable development, and giving back to investors. Meanwhile, we adhere to the idea of investor orientation and enhance the sense of gain for investors by outstanding performance, regulated governance, high-quality information disclosure and positive returns, hence making our contribution to stabilizing the market and boosting confidence.

## Section IV Corporate Governance

### I. Overview of Corporate Governance

During the reporting period, we have continuously improved our corporate governance structure, operated in compliance with the regulations, and enhanced information disclosure in strict accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Shares on the Shenzhen Stock Exchange* and other applicable laws and regulations. We have established a corporate governance structure that sets forth well-defined powers and responsibilities, and mutual restraint mechanisms, and operates in a coordinated manner. Our general meeting, Board of Directors and Board of Supervisors have duly performed their duties and exercised their functions, operated in compliance with the regulations, and seriously protected the legitimate rights and interests of the investors and the Company.

Is there any significant difference between the actual circumstance of corporate governance of the Company and the applicable laws, administrative regulations and the provisions of the CSRC regarding corporate governance of the listed companies?

☐ Yes ☒ No

There isn't any significant difference between the actual circumstance of our corporate governance and the applicable laws, administrative regulations and the provisions of the CSRC regarding corporate governance of the listed companies.

### II. The Company's Independence of its Controlling Shareholders and Actual Controllers in Assets, Personnel, Finance, Organization and Business

We are independent of our controlling shareholders in business, personnel, assets, organization and finance, and have our own independent and complete business, and are independent in management.

1. Independence in business operation: We are independent of our shareholders and other affiliates in business operation, have complete production, R&D, management, procurement and sales systems, and are able to do business independently on the market.

2. Independence in personnel: We have a sound corporate governance structure in place, and our directors, supervisors and senior executives have been appointed in strict accordance with the *Company Law of the People's Republic of China* and the AOA, and do not hold any concurrent post in contravention of the applicable laws and regulations. We are independent of our shareholders in personnel and payroll management, and all of our employees receive their salaries from us. We have developed stringent employment, performance appraisal, promotion and other labor management policies, and entered into a Labor Contract with each employee. We are fully independent in labor, personnel and payroll management.

3. Independence in assets: We have a clear property right relationship with our controlling shareholders, own or have the right to use the premises and land necessary for our production and operating activities, and have complete auxiliary production systems and supporting facilities. None of our controlling shareholders or the business entities controlled by them has occupied any of our funds, assets or other resources.

4. Independence in organization: We have established a sound corporate governance structure in accordance with the requirements of the *Company Law of the People's Republic of China* and the AOA, and our general meeting, Board of Directors and Board of Supervisors exercise their respective functions in strict accordance with applicable laws and regulations. We have set up internal bodies suitable for our development, defined their respective functions, and developed corresponding internal management and control systems. All of our functional departments operate independently, free from any interference by any

shareholders, other departments, entities or individuals, and do not engage in any mixed operation or share office space with other departments.

5. Independence in finance: We have an independent finance department, and full-time financial personnel, established a sound accounting system and financial management and decision-making policies, and implemented strict financial supervision and administration. We open independent bank accounts, and control our funds and assets independently, free from any interference by our shareholders. We are an independent taxpayer, pay taxes independently according to law, and do not mix our tax payment with any shareholder.

### III. Horizontal Competition

☐ Applicable ☒ N/A

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

#### 1. General meetings held during the reporting period

Session	Type of meeting	Percentage of investors attending the meeting	Date of meeting	Disclosure date	Resolution of the meeting
1 <sup>st</sup> extraordinary general meeting in 2024	Extraordinary general meeting	37.43%	January 23, 2024	January 24, 2024	Announcement of the Resolutions of the 1 <sup>st</sup> Extraordinary General Meeting in 2024 (Announcement No.: 2024-007)
2 <sup>nd</sup> extraordinary general meeting in 2024	Extraordinary general meeting	42.51%	March 29, 2024	March 30, 2024	Announcement of the Resolutions of the 2 <sup>nd</sup> Extraordinary General Meeting in 2024 (Announcement No.: 2024-024)
2023 annual general meeting	Annual general meeting	40.32%	May 10, 2024	May 11, 2024	Announcement of the Resolutions of the 2023 Annual General Meeting (Announcement No.: 2024-046)
3 <sup>rd</sup> extraordinary general meeting in 2024	Extraordinary general meeting	42.63%	July 22, 2024	July 23, 2024	Announcement of the Resolutions of the 3 <sup>rd</sup> Extraordinary General Meeting in 2024 (Announcement No.: 2024-062)
4 <sup>th</sup> extraordinary general meeting in 2024	Extraordinary general meeting	42.22%	September 10, 2024	September 11, 2024	Announcement of the Resolutions of the 4 <sup>th</sup> Extraordinary General Meeting in 2024 (Announcement No.: 2024-079)
5 <sup>th</sup> extraordinary general meeting in 2024	Extraordinary general meeting	36.63%	December 23, 2024	December 24, 2024	Announcement of the Resolutions of the 5 <sup>th</sup> Extraordinary General Meeting in 2024 (Announcement No.: 2024-108)

#### 2. Extraordinary general meetings requested by preferred shareholders whose voting rights had been restituted

☐ Applicable ☒ N/A

## V. Directors, Supervisors and Senior Executives

### 1. Particulars

Name	Sex	Age	Title	Status	Beginning date of the term of office	End date of the term of office	Opening balance of shares held	Closing balance of shares held
YUAN Yonggang	Male	46	Chairman	Active	2023-06-06	2026-06-05	202,226,196	202,226,196
YUAN Yongfeng	Male	48	Director & General Manager	Active	2023-06-06	2026-06-05	222,388,153	222,388,153
ZHAO Xiutian	Male	62	Vice Chairman	Active	2023-06-06	2026-06-05		
SHAN Jianbin	Male	49	Director & Executive President	Active	2023-06-06	2026-06-05	553,700	553,700
MAO Xiaoyan	Female	45	Director, Deputy General Manager & Board Secretary	Active	2023-06-06	2026-06-05	391,600	391,600
WANG Xu	Male	43	Director, Deputy General Manager & CFO	Active	2023-06-06	2026-06-05	560,000	560,000
WANG Zhangzhong	Male	62	Independent director	Active	2023-06-06	2026-06-05		
SONG Ligu	Male	61	Independent director	Active	2023-06-06	2026-06-05		
GAO Yongru	Male	57	Independent director	Active	2023-06-06	2026-06-05		
MA Liqiang	Male	44	Chairman of the Board of Supervisors	Active	2023-06-06	2026-06-05	3,000	3,000
JI Yachun	Male	47	Employee representative supervisor	Active	2023-06-06	2026-06-05		
HUANG Yongxin	Male	39	Employee representative supervisor	Active	2023-06-06	2026-06-05		
Total	--	--	--	--	--	--	426,122,649	426,122,649

Whether any director or supervisor retired or any senior executive was removed during the reporting period?

☐ Yes ☒ No

Changes in directors, supervisors and senior executives

☐ Applicable ☒ N/A

### 2. Profile

Professional background, main work experience and main duties of our current directors, supervisors and senior executives:

(1) Members of the Board of Directors

Mr. YUAN Yonggang: PRC citizen, having permanent residency in Singapore, bachelor's degree, one of the controlling shareholders and actual controllers of the Company. He has served as the Director of the Marketing Department, Deputy Manager and Vice Chairman of the Company since October 1998, and is now Chairman of the Company, Vice Chairman of the Jiangsu General Chamber of Commerce, Vice Chairman of the Suzhou Association of Industry and Commerce, member of the 17<sup>th</sup> People's Congress of Suzhou, and Chairman of Suzhou Chamber of International Cooperation for Private Economy.

Mr. YUAN Yongfeng: PRC citizen, bachelor's degree, one of the controlling shareholders and actual controllers of the Company. He has served as the Director of the Manufacturing Department and Supervisor of the Company since October 1998, and is now director and General Manager of the Company, member of the 5<sup>th</sup> CPPCC Wuzhong District Committee of Suzhou, Vice Chairman of the Suzhou Wuzhong District Association of Industry and Commerce, and Chairman of Suzhou Dongshan Chamber of Commerce.

Mr. ZHAO Xiutian: US citizen, postgraduate. He has served in Feichuang, Hughes Network Systems, MCE, Celiant and Andrew, and is now Vice Chairman of the Company.

Mr. SHAN Jianbin: PRC citizen, bachelor's degree. He has served in Mektect Manufacturing Corporation (Zhuhai) Ltd., and is now director and Executive President of the Company, and Vice Chairman of the Executive Council and Director of Industrial Collaborative Innovation Professional Committee of the China Printed Circuit Association.

Ms. MAO Xiaoyan: PRC citizen, postgraduate, and economist. She has served in Suzhou Huacheng Group Company Limited and Jiangsu Wuzhong Pharmaceutical Development Co., Ltd., and is now director, Deputy General Manager and Board Secretary of the Company.

Mr. WANG Xu: PRC citizen, postgraduate, certified public accountant (non-practitioner). He has served in Kunshan Fengrui United Accounting Firm and Suzhou Good-ark Electronics Co., Ltd., and is now director, Deputy General Manager and CFO of the Company, part-time tutor for postgraduates in accounting of the Dongwu Business School of Soochow University, part-time tutor for postgraduates in accounting and audit of the School of Business of Nanjing University of Information Science & Technology, and part-time tutor for postgraduates in accounting of the School of Business of Jiangsu Normal University.

Mr. WANG Zhangzhong: PRC citizen, postgraduate. He has served in the School of Materials Science and Engineering of Nanjing Institute of Technology as a teacher, office director, secretary of the Party committee, chief of the division of science and technology, dean, professor, and Director of China Heat Treatment Association since August 1983, and is now independent director of the Company, Director Member of the Special Metallurgy and Metal Forming Committee of Jiangsu Society for Metals, professor of the Institute of New Material Technology of Nanjing Institute of Technology, independent director of Zhangjiagang Haiguo New Energy Equipment Co., Ltd., Chairman of the Executive Council of the Industrial Furnace Branch of Jiangsu Mechanical Engineering Society, Vice Chairman of the New Metal Materials Branch of Jiangsu Metallurgical Industry Association, and independent director of Suzhou Huike Technology Co., Ltd.

Mr. SONG Ligu: Hong Kong citizen, PhD candidate. He has served in CITIC Securities Tianjin Business Department, the Tianjin Equity Exchange, Anhui Antai Law Firm, China Baoan Group, Hong Kong Heng Feng Group International Investment Limited, CHAN & Co., ARTHUR K.H. (Hong Kong), Denton Wilde Sapte (Hong Kong) and Jones Day International Law Firm (Hong Kong), and is now independent director of the Company, special advisor of Georgiou Partnership Law Firm, visiting associate professor of the Law School of Anhui University, and arbitrator of the China International Economic and Trade Arbitration Commission, the Arbitration Center Across the Straits, and the Xiamen Arbitration Commission.

Mr. GAO Yongru: PRC citizen, PhD candidate, senior accountant. He has served in Panda Electronic Group, Jiangsu Jinling Accounting Firm, the Nanjing Municipal Bureau of Labor, Huatai Securities Co., Ltd., Nanjing Transportation Holding Co., Ltd., Yincheng Properties Group Co., Ltd., Jinling Resort Nanjing Co., Ltd., Shenwu Energy Saving Co., Ltd., Hefei Genius Advanced Material Co., Ltd., Guangzhou Haozhi Industrial Co., Ltd., Jiangsu Limin Paper Packaging Co., Ltd., Nanjing Borun Intelligent

Technology Co., Ltd., Nanjing Borun Brain Intelligent Technology Co., Ltd., Jiangsu Xinruide System Integration Engineering Co., Ltd. and Yongtuo Certified Public Accountants LLP Jiangsu Office, and is now independent director of the Company, independent director of Jiangsu Sunlant Bioengineering Co., Ltd., independent director of Nanjing CompTech Composites Corp., independent director of Jiangsu Binhai Rural Commercial Bank Co., Ltd., managing director of Shengkun Business Service (Nanjing) Co., Ltd., part-time tutor for postgraduates in accounting of the Nanjing University of Information Science & Technology, and part-time tutor for postgraduates in accounting of the Shenyang University.

## (2) Members of the Board of Supervisors

Mr. MA Liqiang: PRC citizen, bachelor's degree. He has served in Suzhou Dayin Electronic Telecommunications Equipment Co., Ltd., Suzhou Jinhua Sheng Paper Co., Ltd. and Dongshan Optronics (Suzhou) Co., Ltd., and is now Chairman of the Board of Supervisors of the Company, and COO, President of China Region, and President of Touch & Display Business Unit of Multek.

Mr. JI Yachun: PRC citizen, postgraduate. He has served in the Central Committee of the Communist Youth League of China, and is now employee representative supervisor and Public Relations President (Yancheng) of the Company, Secretary of the Party Committee and Chairman of the Management Committee of the Yancheng Dongshan Precision Industrial Park, and member of the 14<sup>th</sup> People's Congress of Jiangsu Province.

Mr. HUANG Yongxin: PRC citizen, bachelor's degree. He has served in Everlight Electronics (China) Co., Ltd., and is now employee representative supervisor of the Company and President of the Precision Manufacturing Business Unit.

## (3) Senior executives

The resume of Mr. YUAN Yongfeng (General Manager), Mr. SHAN Jianbin (Executive President), Ms. MAO Xiaoyan (Deputy General Manager and Board Secretary) and Mr. WANG Xu (Deputy General Manager and CFO) are set forth in "Members of Board of Directors" above.

### Positions held in shareholders

☐ Applicable ☒ N/A

### Positions held in other entities

☒ Applicable ☐ N/A

Name	Entity	Position
YUAN Yonggang	Suzhou Dongyang Investment Co., Ltd.	Supervisor
YUAN Yonggang	Shanghai Corkuna New Material Technologies Co., Ltd.	Chairman
YUAN Yonggang	Jingbaiyue Investment Development (Suzhou) Co., Ltd.	Managing Director
YUAN Yonggang	Suzhou Dongding Tea Shop Co., Ltd.	Supervisor
YUAN Yonggang	Shanghai Xinhuarui Semiconductor Technology Co., Ltd.	Director
YUAN Yonggang	Jiangsu Xinhuarui Semiconductor Technology Co., Ltd.	Director
YUAN Yonggang	Ningbo Qixiang Information Technology Co., Ltd.	Director
YUAN Yonggang	Brave Pioneer International Limited	Managing Director
YUAN Yonggang	Hong Kong Dongshan Investment Holdings Limited	Managing Director
YUAN Yonggang	Anhui Landun Photoelectron Co., Ltd.	Director
YUAN	Fujian Nanping Nanfu Battery Co., Ltd.	Director

Name	Entity	Position
Yonggang		
YUAN Yonggang	Jiangsu General Chamber of Commerce	Vice Chairman
YUAN Yonggang	Suzhou Association of Industry and Commerce	Vice Chairman
YUAN Yonggang	People's Congress of Suzhou	Member of the 17 <sup>th</sup> People's Congress of Suzhou
YUAN Yonggang	Suzhou Chamber of International Cooperation for Private Economy	Chairman
YUAN Yongfeng	Suzhou Dongyang Investment Co., Ltd.	Managing Director
YUAN Yongfeng	CPPCC Wuzhong District Committee of Suzhou	Member
YUAN Yongfeng	Suzhou Wuzhong District Association of Industry and Commerce	Vice Chairman
YUAN Yongfeng	Suzhou Dongshan Chamber of Commerce	Chairman
ZHAO Xiutian	Suzhou Langsheng Communication Technology Co., Ltd.	Director
SHAN Jianbin	China Printed Circuit Association	Vice Chairman of the Executive Council and Director of Industrial Collaborative Innovation Professional Committee of the China Printed Circuit Association
MAO Xiaoyan	Dotwil Radio Frequency (Anhui) Technology Co. Ltd.	Director
WANG Xu	Dongwu Business School of Soochow University	Part-time tutor for postgraduates in accounting
WANG Xu	School of Business of Nanjing University of Information Science & Technology	Part-time tutor for postgraduates in accounting and audit
WANG Xu	School of Business of Jiangsu Normal University	Part-time tutor for postgraduates in accounting
WANG Zhangzhong	Special Metallurgy and Metal Forming Committee of Jiangsu Society for Metals	Director member
WANG Zhangzhong	School of Materials Science and Engineering of Nanjing Institute of Technology	Professor
WANG Zhangzhong	Industrial Furnace Branch of Jiangsu Mechanical Engineering Society	Chairman of the Executive Council
WANG Zhangzhong	New Metal Materials Branch of Jiangsu Metallurgical Industry Association	Vice Chairman
WANG Zhangzhong	Zhangjiagang Haiguo New Energy Equipment Co., Ltd.	Independent director
WANG Zhangzhong	Suzhou Huike Technology Co., Ltd.	Independent director
SONG Ligu	Georgiou Partnership Law Firm	Special advisor
SONG Ligu	Law School of Anhui University	Visiting associate professor
SONG Ligu	China International Economic and Trade Arbitration Commission	Arbitrator
SONG Ligu	Arbitration Center Across the Straits	Arbitrator
SONG Ligu	Xiamen Arbitration Commission	Arbitrator
GAO Yongru	Yongtuo Certified Public Accountants LLP Jiangsu Office	Deputy General Manager
GAO Yongru	Nanjing CompTech Composites Corp.	Independent director
GAO Yongru	Jiangsu Sunlant Bioengineering Co., Ltd.	Independent director
GAO Yongru	Jiangsu Binhai Rural Commercial Bank Co., Ltd.	Independent director



Name	Entity	Position
GAO Yongru	Shengkun Business Service (Nanjing) Co., Ltd.	Managing Director
GAO Yongru	Nanjing University of Information Science & Technology	Part-time tutor for postgraduates in accounting
GAO Yongru	Shenyang University	Part-time tutor for postgraduates in accounting

Punishments imposed by the securities regulatory authorities in the past three years on the directors, supervisors and senior executives of the Company currently in office or leaving office during the reporting period

☐ Applicable ☒ N/A

### 3. Remunerations of directors, supervisors and senior executives

Decision-making process, criteria for determination and actual amount in respect of remunerations of directors, supervisors and senior executives

The remunerations of our directors, supervisors and senior executives are determined in accordance with the provisions of the AOA as follows: the amount and terms of payment of remuneration of the members of the Board of Directors and the Board of Supervisors are determined by the general meeting; the amount and terms of payment of remuneration of the senior executives are determined by the Board of Directors; the remunerations of the directors, supervisors and senior executives are determined based on their respective job responsibilities, and achievement of annual performance indicators for those holding key operational positions concurrently, or fulfillment of job responsibilities and annual tasks for those holding key managerial positions concurrently. The remunerations paid by us to our directors, supervisors and senior executives conform to our remuneration policies and the fulfillment of their job responsibilities.

Remunerations of directors, supervisors and senior executives paid in the current period

In RMB 0'000

Name	Sex	Age	Title	Status	Total remuneration received from the Company (inclusive of tax)	Whether or not receiving remunerations from any affiliate of the Company
YUAN Yonggang	Male	46	Chairman	Active	305.66	No
YUAN Yongfeng	Male	48	Director & General Manager	Active	305.66	No
ZHAO Xiutian	Male	62	Vice Chairman	Active	410.00	No
SHAN Jianbin	Male	49	Director & Executive President	Active	370.11	No
MAO Xiaoyan	Female	45	Director, Deputy General Manager & Board Secretary	Active	127.10	No
WANG Xu	Male	43	Director, Deputy General Manager & CFO	Active	190.50	No
WANG Zhangzhong	Male	62	Independent director	Active	12.00	No
SONG Ligu	Male	61	Independent director	Active	12.00	No
GAO Yongru	Male	57	Independent director	Active	12.00	No
MA Liqiang	Male	44	Chairman of the Board of Supervisors	Active	223.32	No
JI Yachun	Male	47	Employee representative supervisor	Active	119.26	No
HUANG Yongxin	Male	39	Employee representative supervisor	Active	148.09	No
Total	--	--	--	--	2,235.70	--

Other information

☐ Applicable ☒ N/A

## VI. Performance of Duties by the Directors during the Reporting Period

### 1. Meetings of the Board of Directors held during the reporting period

Session	Date of meeting	Disclosure date	Resolution of the meeting
7 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	March 12, 2024	March 13, 2024	Announcement of the Resolutions of the 7 <sup>th</sup> Meeting of the 6 <sup>th</sup> Board of Directors (Announcement No.: 2024-013)
8 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	April 12, 2024	April 13, 2024	Announcement of the Resolutions of the 8 <sup>th</sup> Meeting of the 6 <sup>th</sup> Board of Directors (Announcement No.: 2024-025)
9 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	April 16, 2024	April 18, 2024	Announcement of the Resolutions of the 9 <sup>th</sup> Meeting of the 6 <sup>th</sup> Board of Directors (Announcement No.: 2024-028)
10 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	April 24, 2024	April 25, 2024	Considered the First Quarter Report 2024
11 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	June 27, 2024	June 28, 2024	Announcement of the Resolutions of the 11 <sup>th</sup> Meeting of the 6 <sup>th</sup> Board of Directors (Announcement No.: 2024-054)
12 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	August 18, 2024	August 20, 2024	Announcement of the Resolutions of the 12 <sup>th</sup> Meeting of the 6 <sup>th</sup> Board of Directors (Announcement No.: 2024-065)
13 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	October 28, 2024	October 29, 2024	Considered the Third Quarter Report 2024
14 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	December 6, 2024	December 7, 2024	Announcement of the Resolutions of the 14 <sup>th</sup> Meeting of the 6 <sup>th</sup> Board of Directors (Announcement No.: 2024-094)
15 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	December 17, 2024	December 18, 2024	Announcement of the Resolutions of the 15 <sup>th</sup> Meeting of the 6 <sup>th</sup> Board of Directors (Announcement No.: 2024-100)
16 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	December 30, 2024	December 31, 2024	Announcement of the Resolutions of the 16 <sup>th</sup> Meeting of the 6 <sup>th</sup> Board of Directors (Announcement No.: 2024-109)

### 2. Attendance of the directors at meetings of the Board of Directors and general meetings

Attendance of the directors at meetings of the Board of Directors and general meetings							
Director	No. of board meetings attended during the reporting period	No. of board meetings present in person	No. of board meetings present by means of communication equipment	No. of board meetings present by proxy	No. of board meetings absent from	Whether or not having been absent from two consecutive board meetings	No. of general meeting attended
YUAN Yonggang	10	1	9	0	0	No	6
YUAN Yongfeng	10	1	9	0	0	No	6
ZHAO Xiutian	10	1	9	0	0	No	6
SHAN Jianbin	10	1	9	0	0	No	6
MAO Xiaoyan	10	1	9	0	0	No	6
WANG Xu	10	1	9	0	0	No	6
WANG Zhangzhong	10	1	9	0	0	No	6
SONG Ligu	10	1	9	0	0	No	6
GAO Yongru	10	1	9	0	0	No	6

Reason for absence from two consecutive board meetings

N/A

### 3. Objections raised by the directors regarding matters of the Company

Whether any director has raised any objection regarding matters of the Company?

☐ Yes ☒ No

No director has raised any objection regarding matters of the Company during the reporting period.

### 4. Other information regarding the performance of duties by the directors

Whether the suggestions put forward by the directors have been adopted by the Company?

☒ Yes ☐ No

Explanation of the adoption or rejection by the Company of the suggestions put forward by the directors

No director of the Company has raised any objection regarding relevant matters of the Company during the reporting period.

## VII. Activities of the Committees of the Board of Directors during the Reporting Period

Committee	Members	No. of meetings held	Date of meeting	Subject	Important opinions and suggestions	Performance of other duties
Audit Committee	GAO Yongru, WANG Zhangzhong and YUAN Yonggang	7	March 12, 2024	Considered the <i>Proposal Regarding the Report on the Application of the Previous Offering Proceeds</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			April 12, 2024	Considered the <i>Proposal Regarding the Write-off of Assets in 2023</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			April 16, 2024	Considered the <i>Annual Report 2023 and Summary of the Report</i> , the <i>Annual Financial Report 2023</i> , the <i>2023 Profit Distribution Proposal</i> , the <i>Proposal for Re-engagement of the Auditor for 2024</i> , the <i>2023 Self-assessment Report on Internal Controls</i> , the <i>2023 Special Report on the Deposit and Use of Offering Proceeds</i> , the <i>Proposal Regarding Application for Facilities from Banks and Other Financial Institutions in 2024</i> , the <i>Proposal Regarding External Guarantees</i> , the <i>Proposal Regarding Changing the Use of Partial Offering Proceeds</i> , the <i>Proposal Regarding Changes in Accounting Policies</i> , the <i>Report of the Audit Committee under the Board of Directors on the Performance Assessment of the Accounting Firm and</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	The Audit Committee has actively communicated with the auditor of our annual report, to effectively supervise the conduct of the annual audit of the Company.

Committee	Members	No. of meetings held	Date of meeting	Subject	Important opinions and suggestions	Performance of other duties
				<i>Exercise of Supervision Duties in 2023, the Proposal for Amending the Management Measures for External Guarantees, and the Proposal for Amending the Internal Audit Regulations</i>		
			April 24, 2024	Considered the <i>First Quarter Report 2024</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			August 18, 2024	Considered the <i>Proposal Regarding the Write-off of Assets in 2024, the Semi-annual Report 2024 and Summary of the Report, the Special Report on the Deposit and Use of Offering Proceeds in the First Half of 2024, the Proposal Regarding the Report on the Application of the Previous Offering Proceeds, and the Proposal Regarding External Guarantees</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			October 28, 2024	Considered the <i>Third Quarter Report 2023</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			December 6, 2024	Considered the <i>Proposal Regarding the Estimation of the Amount of External Guarantees in 2025, the Proposal Regarding Commodity Futures Hedging Transactions, the Feasibility Report on Commodity Futures Hedging Transactions, the Proposal Regarding Foreign Exchange Hedging Transactions, and the Feasibility Report on Foreign Exchange Hedging Transactions</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
Strategy Committee	YUAN Yonggang, WANG Zhangzhong, SONG Liguang, GAO Yongru and SHAN Jianbin	7	March 12, 2024	Considered the <i>Proposal Regarding the Company's Qualification for Private Placement of A Shares, the Proposal for Private Placement of A Shares by the Company in 2024, the Proposal Regarding the Plan on Private Placement of A Shares by the Company in 2024, the Proposal Regarding the Demonstration Analysis Report on the Plan for Private Placement of A Shares by the Company in 2024, the Proposal Regarding the Feasibility Analysis Report on the Use of Proceeds from the Private Placement of A Shares by the Company in 2024, the Proposal Regarding the Dilution of Current Earnings by Private Placement of A Shares by the Company in 2024, Taking Remedial Measures, and Covenants Made</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	

Committee	Members	No. of meetings held	Date of meeting	Subject	Important opinions and suggestions	Performance of other duties
				<i>by the Relevant Persons, the Proposal on the Constitution of a Related-party Transaction by Private Placement of A Shares by the Company in 2024, the Proposal Regarding Entering into a Share Subscription Agreement with Conditions on Effectiveness with Specific Investors and Related-party Transaction, the Proposal for Requesting the General Meeting to Authorize the Board of Directors and Its Authorized Personnel to Handle the Affairs Related to the Private Placement of A Shares, the Proposal for Requesting the General Meeting to Approve the Exemption of Sending Offers by Subscribers, and the Proposal Regarding Termination of Private Placement of Convertible Corporate Bonds</i>		
			April 16, 2024	<i>Considered the Proposal Regarding External Guarantees, the Proposal Regarding External Investments, the Proposal for Changing the Company's Registered Address and Amending the Articles of Association, and the Proposal for Amending the Management Measures for External Guarantees</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			June 27, 2024	<i>Considered the Proposal for De-registering Partial Shares Repurchased, the Proposal for Changing the Registered Capital and Amending the Articles of Association, and the Proposal Regarding External Investments</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			August 18, 2024	<i>Considered the Proposal Regarding External Guarantees and the Proposal Regarding Adjustment to the Plan of External Investments</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			December 6, 2024	<i>Considered the Proposal Regarding the Estimation of the Amount of External Guarantees in 2025</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
			December 17, 2024	<i>Considered the Proposal Regarding Adjustment to the Plan for Private Placement of A Shares by the Company in 2024, the Proposal Regarding the Plan for Private Placement of A Shares by the Company in 2024 (Revised), the Proposal Regarding the Demonstration Analysis Report on the Plan for Private Placement of A Shares by the Company in 2024</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	

Committee	Members	No. of meetings held	Date of meeting	Subject	Important opinions and suggestions	Performance of other duties
				<i>(Revised), the Proposal Regarding the Feasibility Analysis Report on the Use of Proceeds from the Private Placement of A Shares by the Company in 2024 (Revised), the Proposal Regarding the Dilution of Current Earnings by Private Placement of A Shares by the Company in 2024, Taking Remedial Measures, and Covenants Made by the Relevant Persons (Revised), and the Proposal Regarding Entering into a Supplementary Agreement to the Share Subscription Agreement with Conditions on Effectiveness with Specific Investors and Related-party Transaction</i>		
			December 30, 2024	Considered the <i>Proposal Regarding the Sales of Assets</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	
Compensation and Appraisal Committee	SONG Liguang, WANG Zhangzhong, GAO Yongru, YUAN Yonggang and YUAN Yongfeng	1	April 16, 2024	Considered the <i>Proposal Regarding the Remunerations of the Directors and Senior Executives of the Company in 2024</i>	The relevant proposals were approved and submitted to the Board of Directors for consideration.	

## VIII. Activities of the Board of Supervisors

Whether the Board of Supervisors has identified any risk involving the Company in its supervisory activities during the reporting period?

☐ Yes ☒ No

The Board of Supervisors has not raised any objection to the supervisory matters during the reporting period.

## IX. Employees

### 1. Number, structure of profession and education of employees

Number of current employees of the parent at the end of the reporting period	1,570
Number of current employees of the major subsidiaries at the end of the reporting period	21,917
Total number of current employees at the end of the reporting period	23,515
Total number of salaried employees during the reporting period	23,515

Total number of retired employees to or for whom the parent and the major subsidiaries are obligated to make payments	0
Structure of profession	
Categories of profession	Number of employees
Production staff	16,814
Sales staff	477
Technical staff	4,619
Financial staff	149
Administrative staff	489
Management staff	967
Total	23,515
Education	
Degree of education	Number of employees
PhD	4
Master	212
Undergraduate	3,470
College	5,120
College and below	14,709
Total	23,515

## 2. Compensation policies

We advocate the creation of values, and give priority to high-performance teams and individuals in compensation and incentives. We have sound compensation and incentive policies in place, which are designed to attract and retain outstanding technical and management talents with competitive compensation, and give long-acting incentives to our employees through the combination of short-, medium- and long-term incentives taking into account our overall operating results and the employees' performance, in order to enhance our core competencies.

## 3. Training programs

We actively recruit, seek and train talents, and make efforts to build an efficient and comprehensive talent training system, to continuously improve our employees' comprehensive capabilities; conduct capability improvement and training programs in various forms focusing on cadre fostering, management of engineers and other professional personnel and building of talent pools, to improve our employees' professional quality, skills and management capabilities; actively provide our employees with learning and growth opportunities, encourage them to strive for progress, and build talent pools, to promote the achievement of our strategic objectives.

## 4. Outsourced workers

☐ Applicable ☒ N/A

## X. Profit Distribution and Transfer of Capital Reserve to the Share Capital

Establishment, implementation or adjustment of profit distribution policy, in particular, cash dividend policy, during the reporting period

☒ Applicable ☐ N/A

We attach great importance to the return to our shareholders. In order to maintain a continuous and stable profit distribution policy, pursuant to the *Regulatory Guidance for Listed Companies No. 3 – Distribution of Cash Dividends by the Listed Companies*, the AOA and other relevant provisions, we have developed the Three-year Plan for Return to Shareholders (2024-2026), which sets forth the specific principles and plans for return to shareholders. During the reporting period, we developed the 2024 Profit Distribution Proposal taking into account our actual business situations and development plans, and the needs to ensure normal business operation and long-term development.

Special explanation about the cash dividend policy	
Whether or not comply with the provisions of the articles of association or requirements of resolutions of the general meeting of the Company?	Yes
Whether the standard and ratio of cash dividend distribution are clear and definite?	Yes
Whether the relevant decision-making processes and mechanisms are sound?	Yes
Whether the independent directors have performed their duties and exercised their functions?	Yes
If the Company has not distributed cash dividends, explain the reason, and describe the measures to be taken in order to increase the returns to investors in the future:	N/A
Whether the minority shareholders have sufficient opportunities to express their opinions and requests and their legitimate rights and interests are fully protected?	Yes
Whether the conditions and procedures in respect of any adjustment or amendment of the cash dividend policy comply with the applicable regulations and are transparent?	N/A

Whether the Company has made a profit in the current period and the parent has profits available for distribution to the shareholders, but the Company does not propose to distribute cash dividends?

☐ Applicable ☒ N/A

Particulars of profit distribution and transfer of capital reserve to the share capital for the reporting period

☒ Applicable ☐ N/A

Number of bonus shares per 10 shares	0
Amount of cash dividends per 10 shares (RMB) (inclusive of tax)	0.70
Share capital based on which the distribution proposal was made	1,697,077,809
Amount of cash dividends (RMB) (inclusive of tax)	118,795,446.63
Amount of cash dividends distributed in other ways (such as share repurchase) (RMB)	24,997,049.00
Total amount of cash dividends (RMB)	143,792,495.63
Distributable profit (RMB)	1,085,641,847.89
Ratio of total cash dividends to the distributable profit	13.24
Particulars of cash dividends distributed for the reporting period	
If we are at the growth stage and have certain material capital expenditure arrangements, at least 20% of the distributable profit will be distributed in cash.	
Particulars of the proposal of profit distribution or transfer of capital reserve to share capital	
Our 2024 Profit Distribution Proposal is as follows: to distribute to all shareholders a cash dividend of RMB 0.70 (inclusive of	



tax) per 10 shares on the basis of the total share capital of 1,697,077,809 shares (excluding treasury shares), or RMB 118,795,446.63 in total, without distribution of any bonus shares or transfer of any capital reserve to the share capital. (Note: As of the date of this Report, we had a total share capital of 1,705,913,710 shares, of which, 8,835,901 shares held in the dedicated securities account for repurchase would not participate in the profit distribution.)

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

☒ Applicable ☐ N/A

### 1. Share incentives

N/A

Share incentives granted to directors and senior executives

☐ Applicable ☒ N/A

Performance appraisal and incentives in respect of senior executives

N/A

### 2. Employee stock ownership plans (ESOPs)

☒ Applicable ☐ N/A

Effective ESOPs in the current period

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

Note: As of the end of the reporting period, the Company's shares held under the 2022 ESOP for key officers and technical personnel and the 2022 second ESOP have been sold out through call auction trading. For details, refer to the relevant announcement dated November 29, 2024 on [www.cninfo.com.cn](http://www.cninfo.com.cn) (Announcement No.: 2024-093).

### 3. Other employee incentive measures

☐ Applicable ☒ N/A

## XII. Establishment and Implementation of Internal Controls during the Reporting Period

### 1. Establishment and implementation of internal controls

Pursuant to the requirements of the *Company Law of the People's Republic of China*, the *Basic Internal Control Standards for Enterprises* and the relevant guidelines, we have established a sound internal control system according to our actual situations and needs of management. During the reporting period, we have continuously improved the internal control system, carried out internal control self-assessment, and identified deficiencies in internal control, risks and hazards, to further improve the effectiveness of our internal controls.

According to the assessment of material weakness in internal control over financial reporting, as of the reference date for the assessment report on internal controls, there's no material weakness in our internal control over financial reporting. We have maintained effective internal control over financial reporting in all material respects pursuant to the requirements of the internal control standard systems for enterprises and other relevant provisions. According to the assessment of material weakness in internal control over non-financial reporting, as of the reference date for the assessment report on internal controls, there's no material weakness in our internal control over non-financial reporting.

### 2. Material weaknesses in internal controls identified during the reporting period

☐ Yes ☒ No

## XIII. Management and Control of Subsidiaries during the Reporting Period

## XIV. Assessment Report on Internal Controls or Auditor's Report on Internal Controls

### 1. Assessment report on internal controls

Disclosure date of the full copy of the assessment report on internal controls	April 25, 2025	
Full copy of the assessment report on internal controls available at	www.cninfo.com.cn	
Ratio of total assets of the entities covered by the assessment to total assets recorded in the consolidated financial statements of the Company	100.00%	
Ratio of total operating revenue of the entities covered by the assessment to total operating revenue recorded in the consolidated financial statements of the Company	100.00%	
Criteria for determination of deficiencies		
Type	Financial reporting	Non-financial reporting
Qualitative criteria	Indicators of material weaknesses in internal control over financial reporting include: (i) any fraud on the part of directors, supervisors and senior executives of the Company; (ii) any correction of a financial report already	Indicators of material weaknesses in internal control over non-financial reporting include: (i) any violation of the applicable laws, regulations or normative documents of the country; (ii) unscientific procedure in making any

	disclosed; (iii) any material misstatement in the financial report for the current period that was found by the public certified accountants but failed to be identified through internal controls; and (iv) ineffective supervision by the Audit Committee and the Internal Audit Department of the Company over the financial reports disclosed externally or internal control over financial reporting. Indicators of significant deficiencies in internal control over financial reporting include: (i) failure to correctly select and apply accounting policies pursuant to the generally accepted accounting principles; (ii) failure to establish anti-fraud procedures and controls; (iii) failure to establish or implement controls over the accounting treatment of extraordinary or special transactions, and failure to establish corresponding compensatory controls; and (iv) one or more deficiencies existing in control over the preparation of financial report at the end of the period, and inability to reasonably ensure the truthfulness and completeness of the financial statements. General deficiencies in internal control over financial reporting include deficiencies in control other than material weakness and significant deficiency.	major decision; (iii) absence of any regulations which may result in systemic failure; (iv) failure to rectify any material weakness or significant deficiency; and (v) any other circumstance that has a material adverse effect on the Company. Other deficiencies are classified as significant or general deficiencies depending on the degree of effect.
Quantitative criteria	Material weakness: amount of misstatement $\geq 0.5\%$ of the operating revenue; significant deficiency: $0.3\%$ of the operating revenue $\leq$ amount of misstatement $< 0.5\%$ of the operating revenue; general deficiency: amount of misstatement $< 0.3\%$ of the operating revenue.	Material weakness: direct loss $> 0.5\%$ of the total assets; significant deficiency: $0.2\%$ of the total assets $<$ direct loss $\leq 0.5\%$ of the total assets; general deficiency: direct loss $\leq 0.2\%$ of the total assets.
Number of material weaknesses in financial reporting		0
Number of material weaknesses in non-financial reporting		0
Number of significant deficiencies in financial reporting		0
Number of significant deficiencies in non-financial reporting		0

## 2. Auditor's report on internal controls

☒ Applicable ☐ N/A

Auditor's opinion expressed in the auditor's report on internal controls
We are of the opinion that DSBJ has maintained effective internal control over financial reporting in all material respects in pursuant to the requirements of the <i>Basic Standard for Enterprise Internal Control</i> and other relevant provisions as of December 31, 2024.

Disclosure of the auditor's report on internal controls	Disclosed
Disclosure date of the full copy of the auditor's report on internal controls	April 25, 2025
Full copy of the auditor's report on internal controls available at	www.cninfo.com.cn
Type of opinion expressed in the auditor's report on internal controls	Standard unqualified opinion
Whether there's any material weakness in non-financial reporting	No

Whether the accounting firm issued a modified auditor's report on internal controls?

☐ Yes ☒ No

Whether the auditor's report on internal controls issued by the accounting firm is consistent with the opinion expressed in the self-assessment report of the Board of Directors?

☒ Yes ☐ No

## **XV. Rectification of Non-compliance Found in the Special Self-examination of Corporate Governance of the Listed Company**

N/A

## Section V Environmental and Social Responsibilities

### I. Material Environmental Issues

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

☒ Yes ☐ No

Policies and industrial standards related to environmental protection

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

Environmental Permits

Company name	No.	Validity period
Suzhou Dongshan Precision Manufacturing Co., Ltd.	91320500703719732P001U	From January 15, 2023 to January 14, 2028
Multek Technology (Zhuhai) Co., Ltd.	914404007718663989001X	From November 28, 2022 to November 27, 2027
Multek Industries Limited	91440400714732019J001W	From August 17, 2023 to August 16, 2028
Multek China Limited	914404006182559377001W	From December 20, 2021 to December 19, 2026
Yancheng Dongshan Precision Manufacturing Co., Ltd.	91320903MA1P7PG85D001X	From October 8, 2023 to October 7, 2028
MFLEX Yancheng Co., Ltd.	91320903MA1P7PLE6D001T	From October 8, 2023 to October 7, 2028
MFLEX Suzhou Co., Ltd.	91320500738277671B001V	From August 14, 2023 to August 13, 2028
MFLEX Suzhou Co., Ltd.	91320500738277671B002U	From January 31, 2022 to January 30, 2027
Suzhou JDI Electronics Inc.	913205056082373800001C	From January 7, 2025 to January 6, 2030
Suzhou Dongyue New Energy Technology Co., Ltd.	91320583MA27NLX26N001W	From July 18, 2024 to July 17, 2029
Suzhou Yongchuang Communication Technology Co., Ltd.	9132050675271409XG002X	From January 17, 2025 to January 16, 2030
Mutto Optronics Technology Co., Ltd.	91320594676364242F001V	From October 26, 2022 to October 25, 2027

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

Company name	Category of main pollutants and specific pollutants	Description of main pollutants and specific pollutants	Method of discharge	No. of discharge outlets	Location of discharge outlets	Pollutant concentration	Applicable pollutant discharge standard	Total volume discharged	Approved total volume dischargeable	Excessive discharge
Multek Industries, Multek Electronics and Multek Technology	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	22.58	160mg/L	38.157t	242.36t	None
Multek Industries, Multek Electronics and Multek Technology	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	7.065	30mg/L	11.946t	45.44t	None
Multek Industries, Multek Electronics and Multek Technology	Wastewater from the general discharge outlet	Total nitrogen	Continuous discharge	1	Within factory boundary	25.216	40mg/L	42.29t	60.59t	None
Multek Industries, Multek Electronics and Multek Technology	Wastewater from Class I waste discharge outlet	Total nickel	Intermittent discharge	1	Within factory boundary	0.1356	0.5mg/L	0.00236t	0.055t	None
Multek China	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	26.58	160mg/L	12.089t	216.372t	None
Multek China	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	7.44	30mg/L	3.206t	40.5697t	None
Multek China	Wastewater from the general discharge outlet	Total nitrogen	Continuous discharge	1	Within factory boundary	15.43	40mg/L	6.582t	54.093t	None
Multek China	Wastewater from Class I waste discharge outlet	Total nickel	Intermittent discharge	1	Within factory boundary	0	0.5mg/L	0	1.3523t	None
Multek	Wastewater	Total	Intermittent	1	Within	0	0.1mg/L	0	0.27046	None

China	ter from Class I waste discharg e outlet	silver	ent discharg e		factory boundar y				5t	
Yancheng Dongshan	Wastewa ter	COD	Indirect discharg e	1	General wastewa ter discharg e outlet at the southeas t of the factory	59.7780	500mg/L	5.5042	232.467t	None
Yancheng Dongshan	Wastewa ter	Ammoni a nitrogen	Indirect discharg e	1	General wastewa ter discharg e outlet at the southeas t of the factory	2.9684	35mg/L	0.2593	14.058t	None
Yancheng Dongshan	Wastewa ter	Total phospho rus	Indirect discharg e	1	General wastewa ter discharg e outlet at the southeas t of the factory	0.1636	3.5mg/L	0.0153	1.743t	None
Yancheng Dongshan	Wastewa ter	Total nitrogen	Indirect discharg e	1	General wastewa ter discharg e outlet at the southeas t of the factory	14.5378	40mg/L	1.3591	19.054t	None
Yancheng Dongshan	Wastewa ter	Total silver	Indirect discharg e	1	Wastewa ter facility discharg e outlet at the southeas t of the factory	0.1423	0.3mg/L	0.0003	0.022t	None
Yancheng Dongshan	Wastewa ter	Total nickel	Indirect discharg e	1	Wastewa ter facility discharg e outlet at the southeas t of the	0.0951	0.5mg/L	0.0006	0.033t	None

					factory					
Yancheng Dongshan	Waste gas	VOCs	Organized discharge	5	Roof of buildings 4# and 5#	59.7780	60mg/m <sup>3</sup>	10.5600	12.04t	None
MFLEX Yancheng	Wastewater	Total nitrogen	Indirect discharge	1	General discharge outlet at the east of the factory	20.9mg/L	40mg/L	23.74	84.183t	None
MFLEX Yancheng	Wastewater	Ammonia nitrogen	Indirect discharge	1	General discharge outlet at the east of the factory	0.4	35mg/L	1.71	75.729t	None
MFLEX Yancheng	Wastewater	COD	Indirect discharge	1	General discharge outlet at the east of the factory	29	500mg/L	40.71	844.263t	None
MFLEX Yancheng	Wastewater	Total phosphorus	Indirect discharge	1	General discharge outlet at the east of the factory	0.16	3.5mg/L	0.40	7.744t	None
MFLEX Yancheng	Wastewater	Nickel	Indirect discharge	1	Facility discharge outlet at the east of the factory	0.04	0.5mg/L	0.054	0.085t	None
MFLEX Suzhou	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	18.67mg/L	500mg/L	34.967t	471.035t	None
MFLEX Suzhou	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	0.232mg/L	25mg/L	0.428t	26.020t	None
MFLEX Suzhou	Wastewater from the general discharge	Total copper	Continuous discharge	1	Within factory boundary	0.108mg/L	2.0mg/L	0.190t	0.9405t	None



	e outlet									
MFLEX Suzhou	Wastewater from Class I waste discharge outlet	Total nickel	Continuous discharge	1	Within factory boundary	0.017mg/L	0.5mg/L	0.029t	0.057t	None
MFLEX Suzhou	Wastewater from the general discharge outlet	COD	Continuous discharge	1	Within factory boundary	13mg/L	500mg/L	1.422t	92.893t	None
MFLEX Suzhou	Wastewater from the general discharge outlet	Ammonia nitrogen	Continuous discharge	1	Within factory boundary	0.311mg/L	30mg/L	0.034t	7.963t	None
DSBJ	Exhaust gas outlet	VOCs	Organized discharge	2	Within factory boundary	3.09mg/m <sup>3</sup>	60mg/m <sup>3</sup>	0.0069t	0.0095t	None
DSBJ	Exhaust gas outlet	Particles	Organized discharge	4	Within factory boundary	2.325mg/m <sup>3</sup>	20mg/m <sup>3</sup>	0.519t	1.03t	None
DSBJ	Domestic waste water outlet	Chemical oxygen demand	Indirect discharge	2	Within factory boundary	36.75mg/L	500mg/L	2.833t	8.606t	None
DSBJ	Domestic waste water outlet	Ammonia nitrogen	Indirect discharge	2	Within factory boundary	12.611mg/L	35mg/L	0.283t	0.736t	None
DSBJ	Domestic waste water outlet	Total phosphorus	Indirect discharge	2	Within factory boundary	1.84mg/L	8mg/L	0.055t	0.10798t	None
Mutto Optronics	Wastewater from the general discharge outlet	Suspended matter	Intermittent discharge	1	Within factory boundary	13.33mg/L	400 mg/L	0.8951t	11.032t	None
Mutto Optronics	Wastewater from the general discharge outlet	COD	Intermittent discharge	1	Within factory boundary	69.67mg/L	500 mg/L	4.6767t	109.95t	None
Mutto Optronics	Wastewater from the general discharge outlet	Total organic carbon	Intermittent discharge	1	Within factory boundary	11.47mg/L	30 mg/L	0.7697t	/	None

Mutto Optronics	Wastewater from the general discharge outlet	Ammonia nitrogen	Intermittent discharge	1	Within factory boundary	5.93mg/L	45 mg/L	0.3983t	11.032t	None
Mutto Optronics	Wastewater from the general discharge outlet	Total phosphorus	Intermittent discharge	1	Within factory boundary	1.07mg/L	8 mg/L	0.0718t	0.0768t	None
Mutto Optronics	Wastewater from the general discharge outlet	Total copper	Intermittent discharge	1	Within factory boundary	0	2 mg/L	0	0.11t	None
Mutto Optronics	Waste gas	Nitrogen oxide	Organized discharge	2	South on the roof of the plant building 2#	0	200mg/Nm <sup>3</sup>	0	/	None
Mutto Optronics	Waste gas	Hydrogen chloride	Organized discharge	2	South on the roof of the plant building 2#	0	30mg/Nm <sup>3</sup>	0	0.384t	None
Mutto Optronics	Waste gas	VOCs	Organized discharge	1	South on the roof of the plant building 2#	1.89mg/m <sup>3</sup>	60mg/Nm <sup>3</sup>	0.0972t	1.72t	None
Mutto Optronics	Waste gas	Ethanol	Organized discharge	1	South on the roof of the plant building 2#	0	/	0	1.958t	None
Suzhou Dongyue	Waste gas	VOCs	Organized discharge	2	Northeast of the factory	1.43mg/m <sup>3</sup>	60mg/m <sup>3</sup>	0.3t	14.653t	None
Suzhou Dongyue	Waste gas	Particles	Organized discharge	4	Northeast of the factory	3.5mg/m <sup>3</sup>	20mg/m <sup>3</sup>	0.75t	4.756t	None
Suzhou Dongyue	Waste gas	Fluoride	Organized discharge	1	Northeast of the factory	0.42mg/m <sup>3</sup>	6mg/m <sup>3</sup>	0.01t	0.255t	None
Suzhou Dongyue	Wastewater	COD	Indirect discharge	1	Within factory boundary	12mg/L	350mg/L	0.2t	55.797t	None

					y					
Yancheng Dongchuang	Wastewater	Total phosphorus	Intermittent discharge	1	General waste water discharge outlet at the west of the factory	0.37mg/L	3.5mg/L	0.055151t	1.506t	None
Yancheng Dongchuang	Wastewater	Chemical oxygen demand	Intermittent discharge	1	General waste water discharge outlet at the west of the factory	135.28mg/L	500mg/L	20.73654t	377.397t	None
Yancheng Dongchuang	Wastewater	Ammonia nitrogen	Intermittent discharge	1	General waste water discharge outlet at the west of the factory	2.29mg/L	35mg/L	0.354495t	16.853t	None
Yancheng Dongchuang	Wastewater	Total nitrogen	Intermittent discharge	1	General waste water discharge outlet at the west of the factory	4.3mg/L	40mg/L	0.64334t	34.044t	None
Yancheng Dongchuang	Wastewater	Total nickel	Intermittent discharge	1	Workshop discharge outlet to the waste water station to the west of the factory	0.0002mg/L	0.5mg/L	0.023t	0.027t	None
Yancheng Dongchuang	Waste gas	VOCs	Organized	3	17#DA004 discharge outlet on the roof of building 1# 16#DA0	0.086mg/m <sup>3</sup>	60mg/Nm <sup>3</sup>	0.12783596t	/	None

					05 discharge outlet on the roof of building 1# 25#DA0 10 discharge outlet to the north of building 13#					
Yancheng Dongchuang	Waste gas	Dust	Organized	3	3#DA00 1 discharge outlet to the west of building 7# 8#DA00 7 discharge outlet to the west of building 7# 5#DA00 8 discharge outlet to the west of building 7#	9.87mg/ m <sup>3</sup>	20mg/N m <sup>3</sup>	1.75442 4t	/	None
Yancheng Dongchuang	Waste gas	NmHc	Organized	3	41#DA0 11 discharge outlet to the north of building 14# 36#DA0 12 discharge outlet on the roof of building 2# 42#DA0 15 discharge	0.61mg/ m <sup>3</sup>	60mg/N m <sup>3</sup>	0.73530 8t	/	None

					e outlet on the roof of building 4#					
Yancheng Dongchuang	Waste gas	Smoke and dust	Organize d	2	17#DA0 04 discharg e outlet on the roof of building 1# 25#DA0 10 discharg e outlet to the north of building 13#	1.77mg/ m <sup>3</sup>	20mg/N m <sup>3</sup>	0.36999 2t	/	None
Yancheng Dongchuang	Waste gas	Sulfur dioxide	Organize d	3	17#DA0 04 discharg e outlet on the roof of building 1# 2#DA00 6 discharg e outlet to the west of building 1# 25#DA0 10 discharg e outlet to the north of building 13#	1.5mg/m <sup>3</sup>	80mg/N m <sup>3</sup>	0.46522 98t	/	None
Yancheng Dongchuang	Waste gas	Nitrogen oxide	Organize d	4	23#DA0 02 discharg e outlet to the south of building 13# 17#DA0 04 discharg e outlet on the	0.65mg/ m <sup>3</sup>	100mg/ Nm <sup>3</sup> 180mg/ Nm <sup>3</sup>	0.2585t	/	None

					roof of building 1# 35#DA009 discharge outlet to the south of building 10# 25#DA010 discharge outlet to the north of building 13#					
Yancheng Dongchuang	Waste gas	Particles	Organized	2	24#DA003 discharge outlet to the north of building 13# 2#DA006 discharge outlet to the west of building 1#	1.78mg/m <sup>3</sup>	20mg/N m <sup>3</sup>	0.596624t	/	None
JDI Electronics	DW001 general waste water discharge outlet	Suspended matter	Intermittent discharge	1	Discharge outlet at the south of the factory	20.67mg/L	400mg/L	2.33t	45.12t	None
JDI Electronics	DW001 general waste water discharge outlet	Chemical oxygen demand	Intermittent discharge	1	Discharge outlet at the south of the factory	53mg/L	500mg/L	5.98t	56.40t	None
JDI Electronics	DW001 general waste water discharge outlet	Anionic surfactant	Intermittent discharge	1	Discharge outlet at the south of the factory	0.57mg/L	20mg/L	0.06t	2.26t	None
JDI Electronics	DW002 general waste water discharge	Suspended matter	Intermittent discharge	1	Discharge outlet at the southwest of the	80.67mg/L	/	0.94t	/	None

	e outlet				factory					
JDI Electronics	DW002 general waste water discharge outlet	Chemical oxygen demand	Intermittent discharge	1	Discharge outlet at the southwest of the factory	185.67mg/L	/	2.16t	/	None
JDI Electronics	DW002 general waste water discharge outlet	Ammonia nitrogen	Intermittent discharge	1	Discharge outlet at the southwest of the factory	26.7mg/L	/	0.31t	/	None
JDI Electronics	DW002 general waste water discharge outlet	Total phosphorus	Intermittent discharge	1	Discharge outlet at the southwest of the factory	4.08mg/L	/	0.05t	/	None
JDI Electronics	DW002 general waste water discharge outlet	Total nitrogen	Intermittent discharge	1	Discharge outlet at the southwest of the factory	42mg/L	/	0.49t	/	None
JDI Electronics	DW003 general waste water discharge outlet	Suspended matter	Intermittent discharge	1	Discharge outlet at the northwest of the factory	99mg/L	400mg/L	7.26t	29.33t	None
JDI Electronics	DW003 general waste water discharge outlet	Chemical oxygen demand	Intermittent discharge	1	Discharge outlet at the northwest of the factory	184.67mg/L	500mg/L	13.54t	36.66t	None
JDI Electronics	DW003 general waste water discharge outlet	Ammonia nitrogen	Intermittent discharge	1	Discharge outlet at the northwest of the factory	19.17mg/L	45mg/L	1.41t	3.3t	None
JDI Electronics	DW003 general waste water discharge outlet	Total phosphorus	Intermittent discharge	1	Discharge outlet at the northwest of the factory	2.98mg/L	8mg/L	0.22t	0.59t	None
JDI Electronics	DW003 general waste water discharge outlet	Total nitrogen	Intermittent discharge	1	Discharge outlet at the northwest of the factory	23.67mg/L	70mg/L	1.74t	5.13t	None
JDI Electronics	DW003 general	Animal and	Intermittent	1	Discharge outlet	5.85mg/L	100mg/L	0.43t	7.33t	None

	waste water discharge outlet	vegetable oils	discharge		at the northwest of the factory					
JDI Electronics	Waste gas	Sulphuric acid mist	Organized discharge	1	Organic gas discharge in Phase I	0	5mg/m <sup>3</sup>	0	0.868t	None
JDI Electronics	Waste gas	Acetone	Organized discharge	1	Organic gas discharge in Phase I	0	/	0	/	None
JDI Electronics	Waste gas	NmHc	Organized discharge	2	Organic gas discharge in Phase I and Phase II	0.703mg/m <sup>3</sup>	60mg/m <sup>3</sup>	0.088t	7.48t	None
JDI Electronics	Waste gas	Ethanol	Organized discharge	2	Organic gas discharge in Phase I and Phase II	0	/	0	/	None

#### Treatment of pollutants

With respect to the wastewater, waste gas, solid wastes and other wastes generated during our production, we have a complete set of pollution treatment facilities in place, which are operated and maintained by ourselves or the service providers engaged by us. We designate special personnel to monitor the operation of equipment and discharge of pollutants, and maintain and repair the equipment and facilities on a regular basis, to ensure the discharge and disposal of all kinds of pollutants in accordance with the applicable standards and regulations, and minimize the environmental impact of our production. During the reporting period, our discharge of pollutants complied with the applicable standards and regulations.

#### Environmental self-monitoring plans

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

#### Environmental emergency response plans

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

#### Expenditures on environmental governance and protection, and payment of environmental protection tax

We have made continuous investments in environmental governance and protection, regularly maintained the waste gas, wastewater and solid waste treatment and other environmental protection facilities to ensure their effective operation, and discharge of all kinds of pollutants in conformity with the applicable standards, and promote our sustainable development.

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

☒ Applicable ☐ N/A

For details, refer to the *2024 ESG Report of DSB* disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn).

Environment-related administrative penalties the Company has been subject to during the reporting period



N/A

Other environmental information that should be disclosed

N/A

Other environmental information

Refer to our *Social Responsibility Report 2024* disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn).

## **II. Social Responsibility**

For details, refer to the *2024 ESG Report of DSBJ* disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn).

## **III. Consolidating and Expanding the Result of Poverty Alleviation and Rural Revitalization**

For details, refer to the *2024 ESG Report of DSBJ* disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn).

## Section VI Significant Matters

### I. Fulfillment of Covenants

**1. Covenants made by the actual controllers, shareholders, affiliates and acquirer of the Company, the Company itself and other related parties that have been fulfilled during the reporting period or have not yet been completely fulfilled as of the end of the reporting period**

☒ Applicable ☐ N/A

Background of covenant	Covenantor	Type of covenant	Content of covenant	Time of covenant	Validity period of the covenant	Status of fulfillment
Covenant relating to initial public offering or subsequent fundraisings	YUAN Yongfeng and YUAN Yonggang	Covenants related to restrictions on the sale of shares	Each of the shareholders YUAN Yongfeng and YUAN Yonggang, as director and senior executive of the Company, covenants that so long as I remain a director and senior executive of the Company, I will not transfer more than 25% of the total shares held by me in the Company each year; and if I cease to be a director and senior executive of the Company, I will not transfer any shares held by me in the Company within half a year, and will not transfer more than 50% of the total shares held by me in the Company through the stock exchange within 12 months thereafter.	April 9, 2010	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
	YUAN Yongfeng, YUAN Yonggang and YUAN Fugen	Covenants related to horizontal competition, related-party transactions and occupation of funds	Covenants related to horizontal competition: Each of the shareholders YUAN Yonggang, YUAN Yongfeng and YUAN Fugen covenants that I do not, directly or indirectly, engage in any business in competition with the business actually conducted by the Company.	April 9, 2010	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
	YUAN Yongfeng, YUAN Yonggang and YUAN Fugen	Covenants related to horizontal competition, related-party transactions and occupation of funds	Covenants related to horizontal competition: Each of the shareholders YUAN Yonggang, YUAN Yongfeng and YUAN Fugen covenants that after the completion of this material asset restructuring, I will not, directly or through any affiliate, participate or engage	June 11, 2018	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.

			in any business that substantially competes or might compete with the business of the Company; and if any product manufactured or business conducted by any entity wholly owned, controlled or invested by me in the future competes or might compete with the Company, at the request of the Company, I will transfer all of the investment or shares held by me in such entity, give priority to the Company or its wholly-owned subsidiary in the acquisition of such investment or shares subject to the applicable laws and regulations, and use my best efforts to procure that the transfer price will be determined on an arm's length basis; and if I or any of my affiliates breaches any covenant set forth above, I will indemnify the Company and other shareholders for the damages arising therefrom according to law.			
	YUAN Yongfeng, YUAN Yonggang and YUAN Fugen	Covenants related to horizontal competition, related-party transactions and occupation of funds	Covenants related to the regulation and reduction of related-party transactions: Each of the shareholders YUAN Yonggang, YUAN Yongfeng and YUAN Fugen covenants that (i) I and my affiliates will avoid or reduce related-party transactions with the Company to the maximum extent practicable; (ii) with respect to the related-party transactions that are unavoidable or necessary, I will abide by the principle of justice, fairness and openness, enter into the relevant agreements according to law, perform the legal procedures pursuant to the applicable laws, regulations, normative documents, the Articles of Association and other relevant provisions of the Company, ensure that such related-party transactions are fair, comply with the regulations, and will not	June 11, 2018	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.

			damage the legitimate rights and interests of the Company and other shareholders, and make the relevant information disclosures promptly in accordance with the requirements of the applicable laws, regulations and normative documents; and (iii) I will exercise the shareholder rights in strict accordance with the <i>Company Law</i> and other applicable laws and regulations, and the relevant provisions of the Articles of Association of the Company, and abstain from the voting on the related-party transactions involving me and other entities controlled by me at the general meeting of the Company in accordance with the relevant provisions.			
	YUAN Yongfeng and YUAN Yonggang	Covenant not to sell the Company's shares during a specific period	I. Within six months from the base date for pricing (March 13, 2024) for the private placement of shares, I and the affiliates under my control have not sold the shares of DSBJ; II. From the base date for pricing to the expiration of eighteen months after the private placement of DSBJ is completed, I and the affiliates under my control will neither sell DSBJ's shares in any form nor have any plan of selling DSBJ's shares; and III. My covenant is an irrevocable covenant, which shall be binding on me and the affiliates under my control from the execution date of this covenant, and the transferee under the share transfer described above shall inherit this covenant; if I and the affiliates under my control sell shares in violation of this covenant, all the proceeds from selling such shares shall be owned by DSBJ and I shall be fully responsible for all the legal liabilities arising therefrom.	December 18, 2024	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.
Other covenants	YUAN Yongfeng, YUAN	Other covenants	Covenant regarding the remedial measures against dilution of current earnings	October 10, 2019	Permanently binding	As of the end of the reporting

	Yonggang, ZHAO Xiutian, SHAN Jianbin, WANG Xu, MAO Xiaoyan and MA Liqiang		caused by the private placement: Each of the directors and senior executives of the Company covenants that: (i) I will not transfer benefits to any other entity or individual without compensation or on unfair terms, or otherwise damage the interests of the Company; (ii) I will exercise self-discipline in consumption in performing my duties; (iii) I will not use the assets of the Company to engage in any investment or consumption activities not in connection with my duties; (iv) I will link the compensation system adopted by the Board of Directors or the Compensation Committee with the implementation of the Company's remedial measures against dilution of current earnings; (v) if the Company implements any share incentive plan in the future, I will link the vesting conditions under such share incentive plan with the implementation of the Company's remedial measures against dilution of current earnings; and (vi) I will seriously implement the Company's remedial measures against dilution of current earnings, and abide by the relevant covenants made by me; and if I breach any covenant set forth above, I will indemnify the Company or the investors for the losses arising therefrom according to law, and accept the punishments that the competent regulatory authorities may impose on me.			period, the covenantors have complied with such covenants.
	YUAN Fugen, YUAN Yongfeng and YUAN Yonggang	Other covenants	Covenant regarding the remedial measures against dilution of current earnings caused by the private placement: Each of the controlling shareholders and actual controllers of the Company covenants that I	October 17, 2019	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.

			will not interfere with the management and operation of the Company beyond my powers, or infringe on the interests of the Company; and as the person responsible for the serious implementation of the remedial measures against dilution of current earnings, if I breach or refuse to fulfill any covenant set forth above, I will assume the relevant liabilities according to law.			
	YUAN Fugen, YUAN Yongfeng and YUAN Yonggang	Other covenants	To ensure the effective implementation of the remedial measures against dilution of earnings to be taken by the Company, each of the controlling shareholders and actual controllers of the Company covenants that: “(i) I will not interfere with the management and operation of the Company beyond my powers, or infringe on the interests of the Company; (ii) from the date of this Letter of Undertaking till the completion of this offering, in case of any new regulatory provisions promulgated by the CSRC or the SZSE regarding the remedial measures against dilution of earnings and related covenants, as a result of which the covenants set forth above no longer comply with such new provisions, I will make additional covenants in accordance with such new provisions; and (iii) I will seriously implement the remedial measures against dilution of earnings adopted by the Company and fulfill my covenants in connection therewith, and if I breach or refuse to fulfill any covenant set forth above, accept the penalties or other regulatory actions that may be imposed or taken by the CSRC, the SZSE or other competent securities authorities against me, and indemnify the Company or the investors for	March 12, 2024	Permanently binding	As of the end of the reporting period, the covenantors have complied with such covenants.

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

			dilution of earnings adopted by the Company and fulfill my covenants in connection therewith, and if I breach any covenant set forth above, indemnify the Company or the investors for the losses arising therefrom according to law.”			
Whether the covenants have been fulfilled on time	Yes					
If any covenant fails to be fulfilled on time, please explain the reason and the relevant actions to be taken in detail	N/A					

**2. If the Company has made any profit forecast on its assets or project and the reporting period falls within the period of such profit forecast, explanation about whether the goal has been achieved and the related reasons**

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

## **III. External Guarantees in Violation of the Regulations**

☐ Applicable ☒ N/A

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

## **IV. Explanation by the Board of Directors about the Most Recent Modified Auditor’s Report**

☐ Applicable ☒ N/A



## V. Explanation by the Board of Directors, the Board of Supervisors and the Independent Directors (if any) about the Modified Auditor's Report Issued by the Accounting Firm for the Reporting Period

☐ Applicable ☒ N/A

## VI. Changes in the Accounting Policies and Accounting Estimates Compared with the Financial Report for the Previous Year or Correction of Material Accounting Errors

☐ Applicable ☒ N/A

During the reporting period, there wasn't any change in the accounting policies or accounting estimates, or correction of material accounting errors.

## VII. Explanation of Changes in the Scope of Consolidation Compared with the Financial Report for the Previous Year

☒ Applicable ☐ N/A

Company name	Method of acquisition or disposal	Effect on overall production, operation and results
Multi-Fineline Electronics Hungary KFT.	Established	No material effect on our operating results in the current period
Suzhou Dongjiyuan Metal Technology Co., Ltd.	Deregistration	No material effect on our operating results in the current period
Suzhou Dongyan Electronic Technology Co., Ltd.	Deregistration	No material effect on our operating results in the current period
Suzhou Dongbo Precision Manufacturing Co., Ltd.	Deregistration	No material effect on our operating results in the current period
Dongwei Smart Suzhou Co., Ltd.	Deregistration	No material effect on our operating results in the current period
MFLX B.V.	Deregistration	No material effect on our operating results in the current period
Multek Zhuhai Limited	Disposed	No material effect on our operating results in the current period

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

Accounting firm currently engaged

Name of domestic accounting firm	Pan-China Certified Public Accountants LLP
Remuneration of domestic accounting firm (in RMB 0'000)	240
Consecutive years in which the domestic accounting firm has provided auditing service	14
Certified public accountants of the domestic accounting firm	ZHANG Yang and FU Zhenlong
Consecutive years in which the certified public accountants of the domestic accounting firm have provided auditing service	3, 3
Name of foreign accounting firm (if any)	N/A
Remuneration of foreign accounting firm (if any) (in RMB 0'000)	0
Consecutive years in which the foreign accounting firm (if any) has provided auditing service	N/A

Certified public accountants of the foreign accounting firm (if any)	N/A
Consecutive years in which the certified public accountants of the foreign accounting firm (if any) have provided auditing service	N/A

Whether a new accounting firm was engaged during the reporting period?

☐ Yes ☒ No

Engagement of accounting firm for auditing internal controls, financial advisor or sponsor

☒ Applicable ☐ N/A

During the reporting period, we engaged Pan-China Certified Public Accountants LLP as the auditor of internal controls, responsible for the audit of our internal controls in 2024.

## IX. Risk of Delisting after Disclosure of the Annual Report

☐ Applicable ☒ N/A

## X. Matters Relating to Bankruptcy and Reorganization

☐ Applicable ☒ N/A

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

## XI. Material Litigations and Arbitrations

☐ Applicable ☒ N/A

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

## XII. Punishments and Rectifications

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

## XIV. Material Related-party Transactions

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

**5. Dealings with affiliated financial companies**

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

No such case during the reporting period.

**(2) Contracting**

☐ Applicable ☒ N/A

No such case during the reporting period.

**(3) Leases**

☐ Applicable ☒ N/A

No such case during the reporting period.

**2. Material guarantees**

☒ Applicable ☐ N/A

In RMB 0'000

External guarantees provided by the Company and its subsidiaries (excluding those provided for the subsidiaries)										
Obligor	Disclosure date of announcement of the maximum amount guaranteed	Maximum amount guaranteed	Effective date of guarantee	Actual amount guaranteed	Type of guarantee	Collateral (if applicable)	Counter guarantee (if applicable)	Term of guarantee	Whether or not expired	Whether or not provided for a related party
Suzhou Toprun Electric Equipment Co., Ltd.		3,000		2,000	Joint and several guarantee					
Suzhou LEGATE Intelligent Equipment Corp., Ltd.		3,000		0						
Shanghai Fu Shan Precision Manufacturing Co., Ltd.		3,000		0						
Total amount of external guarantee approved during the reporting period (A1)		9,000		Total amount of external guarantee actually provided during the reporting period (A2)		5,000				
Total amount of external guarantee approved as at the end of the reporting period (A3)		9,000		Total amount of external guarantee actually provided as at the end of the reporting period (A4)		2,000				
Guarantees provided by the Company for its subsidiaries										
Obligor	Disclosure date of announcement of the maximum amount guaranteed	Maximum amount guaranteed	Effective date of guarantee	Actual amount guaranteed	Type of guarantee	Collateral (if applicable)	Counter guarantee (if applicable)	Term of guarantee	Whether or not expired	Whether or not provided for a related party
Dragon Electronix Holdings Inc. and its controlled subsidiaries		305,000		158,644.92						
Hong Kong Dongshan Holding Limited and		280,000		9,900						

its subsidiaries										
Yancheng Dongshan Precision Manufacturing Co., Ltd.		120,000		80,112.14						
Multek Group (Hong Kong) Limited and its controlled subsidiaries		150,000		46,116.77						
Mutto Optronics Technology Co., Ltd.		100,000		3,725.22						
Suzhou Yongchuang Communication Technology Co., Ltd.		80,000		9,884.28						
Chaowei Microelectronics (Yancheng) Co., Ltd.		60,000		25,000						
Yancheng Dongshan Communication Technology Co., Ltd.		13,000		2,698.16						
Suzhou RF Top Electronic Communication Co., Ltd.		5,000		930.74						
HongKong Dongshan Precision Union Optoelectronic Co., Limited		5,000								
Suzhou Chengjia Precision Manufacturing Co., Ltd.		8,000		1,000						
Suzhou Dongyue New Energy Technology Co., Ltd.		20,000								
Yancheng Dongchuang		100,000		83,046.93						

Precision Manufacturing Co., Ltd.										
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (B1)		1,246,000	Total amount of guarantee actually provided for subsidiaries during the reporting period (B2)							920,428.33
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (B3)		1,246,000	Total amount of guarantee actually provided for subsidiaries as at the end of the reporting period (B4)							421,059.16
Guarantees provided by subsidiaries for each other										
Obligor	Disclosure date of announcement of the maximum amount guaranteed	Maximum amount guaranteed	Effective date of guarantee	Actual amount guaranteed	Type of guarantee	Collateral (if applicable)	Counter guarantee (if applicable)	Term of guarantee	Whether or not expired	Whether or not provided for a related party
Total amount of guarantee approved to be provided for subsidiaries during the reporting period (C1)			0	Total amount of guarantee actually provided for subsidiaries during the reporting period (C2)						0
Total amount of guarantee approved to be provided for subsidiaries as at the end of the reporting period (C3)			0	Total amount of guarantee actually provided for subsidiaries as at the end of the reporting period (C4)						0
Total amount of guarantee provided by the Company										
Total amount of guarantee approved during the reporting period (A1+B1+C1)		1,255,000		Total amount of guarantee actually provided during the reporting period (A2+B2+C2)						925,428.33
Total amount of guarantee approved as at the end of the reporting period (A3+B3+C3)		1,255,000		Total amount of guarantee actually provided as at the end of the reporting period (A4+B4+C4)						423,059.16
Ratio of the total amount of guarantee actually provided (A4+B4+C4) to the net assets of the Company										22.47%
Incl.:										
Outstanding guarantees provided for shareholders, actual controllers and their affiliates (D)										2,000

Outstanding guarantees directly or indirectly provided for obligors whose debt-to-assets ratio exceeds 70% (E)	254,514.24
Portion of the total amount of guarantee in excess of 50% of the net assets (F)	0
Total (D+E+F)	254,514.24
Explanation about the joint and several liabilities that have been or might be incurred in respect of outstanding guarantees during the reporting period (if any)	N/A
Explanation about external guarantees provided in contravention of the established procedures (if any)	N/A

Explanation about guarantees provided in a compound mode

N/A

### 3. Entrusted management of cash assets

#### (1) Entrusted wealth management

☒ Applicable ☐ N/A

Particulars of entrusted wealth management during the reporting period

In RMB 0'000

Type	Source of funds	Total amount	Outstanding amount	Overdue amount	Impairment loss recognized for overdue wealth management products
Bank wealth management product	Self-owned funds	132,530.84	65,187.25	0	0
Total		132,530.84	65,187.25	0	0

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

#### (2) Entrusted loans

☐ Applicable ☒ N/A

No such case during the reporting period.

### 4. Other material contracts

☐ Applicable ☒ N/A

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

## **XVI. Other Significant Matters**

☐ Applicable ☒ N/A

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

## **XVII. Significant Matters of Subsidiaries**

☐ Applicable ☒ N/A



## Section VII Changes in Shares and Shareholders

### I. Changes in Shares

#### 1. Changes in shares

	Before the change		+/-					In shares After the change	
	Number	%	New shares	Bonus shares	Capitalization of capital reserves	Others	Subtotal	Number	%
I. Non-tradable shares	319,591,987	18.69%						319,591,987	18.73%
1. Shares held by the State									
2. Shares held by State-owned corporations									
3. Shares held by other domestic investors	319,591,987	18.69%						319,591,987	18.73%
Incl.: Shares held by domestic non-State-owned corporations									
Shares held by domestic natural persons	319,591,987	18.69%						319,591,987	18.73%
4. Shares held by foreign investors									
Incl.: Shares held by foreign corporations									
Shares held by foreign natural persons									
II. Tradable shares	1,390,275,340	81.31%				-3,953,617	-3,953,617	1,386,321,723	81.27%
1. RMB-denominated ordinary shares	1,390,275,340	81.31%				-3,953,617	-3,953,617	1,386,321,723	81.27%
2. Foreign currency-denominated shares listed domestically									
3. Foreign currency-denominated shares listed overseas									
4. Others									
III. Total shares	1,709,867,327	100.00%				-3,953,617	-3,953,617	1,705,913,710	100.00%

Cause of change

☒ Applicable ☐ N/A

Pursuant to the relevant provisions of *Guidelines of Shenzhen Stock Exchange on Self-regulatory Supervision of Listed Companies No. 9 – Repurchase of Shares*, we held the 11<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors, the 9<sup>th</sup> meeting of the 6<sup>th</sup> Board of Supervisors and the 3<sup>rd</sup> extraordinary general meeting in 2024, at which the *Proposal for De-registering Partial Shares Repurchased* was considered, approving the Company to repurchase 3,953,617 shares under the dedicated securities account for repurchase for deregistration, so that the total shares of the Company will be reduced from 1,709,867,327 shares to 1,705,913,710 shares. After being verified and confirmed by China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the 3,953,617 shares repurchased by the Company have been deregistered on August 30, 2024. Please refer to the relevant announcement disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn) and our designated newspapers for information disclosure.

Approval of changes in shares

☐ Applicable ☒ N/A

Registration of changes in shares

☐ Applicable ☒ N/A

Effect of changes in shares on financial indicators including the basic earnings per share, diluted earnings per share, net assets per share attributable to ordinary shareholders of the Company, etc. in the last year and the last period

☒ Applicable ☐ N/A

During the reporting period, we repurchased 1,588,800 shares. Based on the net assets as of the end of 2024, the net assets per share increased by RMB 0.01/share, while the effect on the diluted earnings per share and basic earnings per share is insignificant.

Other information that should be disclosed at the discretion of the Company or at the request of the securities regulatory authorities

☐ Applicable ☒ N/A

## 2. Changes in non-tradable shares

☐ Applicable ☒ N/A

## II. Offering and Listing of Securities

### 1. Offering of securities (other than preferred shares) during the reporting period

☐ Applicable ☒ N/A

### 2. Changes in the total number of shares, shareholding structure, and structure of assets and liabilities of the Company

☐ Applicable ☒ N/A

### 3. Outstanding employee shares

☐ Applicable ☒ N/A

## III. Shareholders and Actual Controllers

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

In shares

Total number of ordinary shareholders at the end of the reporting period	115,575	Total number of ordinary shareholders at the end of the month immediately preceding the disclosure date of this Annual Report	78,035	Total number of preferred shareholders whose voting rights had been restituted at the end of the reporting period (if any) (Note 8)	0	Total number of preferred shareholders whose voting rights had been restituted at the end of the month immediately preceding the disclosure date of this Annual Report (if any) (Note 8)		0
Shareholding by shareholders holding more than 5% of the shares or top 10 shareholders (excluding the shares lent via refinancing)								
Name of shareholder	Status of shareholder	Shareholding percentage	No. of shares held at the end of the reporting period	Changes in shareholding during the reporting period	No. of non-tradable shares held	No. of tradable shares held	Pledge, attachment or freeze	
							Status of shares	Number
YUAN Yongfeng	Domestic natural person	13.04%	222,388,153	0	166,791,115	55,597,038	Pledge	102,990,000
YUAN Yonggang	Domestic natural person	11.85%	202,226,196	0	151,669,647	50,556,549	Pledge	89,310,000
YUAN Fugen	Domestic natural person	3.45%	58,796,052	0	0	58,796,052	N/A	0
Hong Kong Securities Clearing Company Limited	Foreign corporation	2.39%	40,850,142	-25,162,460	0	40,850,142	N/A	0
Agricultural Bank of China Limited – CSI 500 Exchange Traded Fund	Others	1.12%	19,073,000	11,566,100	0	19,073,000	N/A	0
New China Life Insurance Company Limited – Participating – Individual Participating – 018L-FH002 Shenzhen	Others	0.85%	14,500,148	14,500,148	0	14,500,148	N/A	0
GF Fund Management Co., Ltd. – Social Security Fund Portfolio 402	Others	0.70%	11,990,312	2,191,300	0	11,990,312	N/A	0
Zhangjiagang	State-owned	0.64%	10,998,700	0	0	10,998,700	N/A	0

Industrial Capital Investment Co., Ltd.	corporation							
National Social Security Fund Portfolio 503	Others	0.64%	10,991,000	10,991,000	0	10,991,000	N/A	0
YU Qiaoying	Domestic natural person	0.63%	10,760,300	10,760,300	0	10,760,300	N/A	0
Strategic investors or general corporations becoming top 10 shareholders as a result of rights issue (if any) (Note 3)		N/A						
Affiliates or concert parties among the shareholders listed above		Among the shareholders listed above, YUAN Yonggang and YUAN Yongfeng are sons of YUAN Fugen, and YUAN Yongfeng is the elder brother of YUAN Yonggang. YUAN Fugen, YUAN Yongfeng and YUAN Yonggang are our actual controllers. We are not aware whether there are affiliates or concert parties within the meaning of the <i>Administrative Measures for the Takeover of Listed Companies</i> among other shareholders listed above.						
Delegation or waiver of voting rights or ownership of voting rights by or to the shareholders listed above		N/A						
Special explanation about any dedicated account for repurchase opened by any top 10 shareholder (if any) (Note 10)		N/A						
Shareholding by top 10 holders of tradable shares (excluding the shares lent via refinancing or under executive lock-up)								
Name of shareholder	No. of tradable shares held at the end of the reporting period					Type and number of shares		
						Type	Number	
YUAN Fugen	58,796,052					RMB-denominated ordinary share	58,796,052	
YUAN Yongfeng	55,597,038					RMB-denominated ordinary share	55,597,038	
YUAN Yonggang	50,556,549					RMB-denominated ordinary share	50,556,549	
Hong Kong Securities Clearing Company Limited	40,850,142					RMB-denominated ordinary share	40,850,142	
Agricultural Bank of China Limited – CSI 500 Exchange Traded Fund	19,073,000					RMB-denominated ordinary share	19,073,000	
New China Life Insurance Company Limited – Participating – Individual Participating – 018L-FH002 Shenzhen	14,500,148					RMB-denominated ordinary share	14,500,148	
GF Fund Management Co., Ltd. – Social Security Fund Portfolio 402	11,990,312					RMB-denominated ordinary	11,990,312	

		share	
Zhangjiagang Industrial Capital Investment Co., Ltd.	10,998,700	RMB-denominated ordinary share	10,998,700
National Social Security Fund Portfolio 503	10,991,000	RMB-denominated ordinary share	10,991,000
YU Qiaoying	10,760,300	RMB-denominated ordinary share	10,760,300
Affiliates or concert parties among the top 10 holders of tradable shares, and among the top 10 holders of tradable shares and top 10 shareholders	Among the shareholders listed above, YUAN Yonggang and YUAN Yongfeng are sons of YUAN Fugen, and YUAN Yongfeng is the elder brother of YUAN Yonggang. YUAN Fugen, YUAN Yongfeng and YUAN Yonggang are our actual controllers. We are not aware whether there are affiliates or concert parties within the meaning of the <i>Administrative Measures for the Takeover of Listed Companies</i> among other shareholders listed above.		
Securities margin trading conducted by top 10 ordinary shareholders (if any) (Note 4)	YU Qiaoying, a shareholder of the Company, holds 10,760,300 shares of the Company through a customer's margin account with Northeast Securities Co., Ltd.		

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

☐ Applicable ☒ N/A

Changes in top 10 shareholders and top 10 holders of tradable shares compared with the previous period due to share lending under refinancing/repayment

☐ Applicable ☒ N/A

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

☐ Yes ☒ No

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

## 2. Controlling shareholders of the Company

Nature of controlling shareholders: Natural persons

Type of controlling shareholders: Natural persons

Name of controlling shareholder	Nationality	Whether or not having obtained residency in any other country or region
YUAN Yongfeng	China	No
YUAN Yonggang	China	Yes
YUAN Fugen	China	No
Main occupation and title	YUAN Yonggang is our Chairman and YUAN Yongfeng is our director and General Manager.	
Shares held in other domestic or foreign listed companies controlled or invested by the controlling shareholders during the reporting period	YUAN Yonggang and his wife WANG Wenjuan are the actual controllers of Landun Photoelectron (300862) and Anfu Technology (603031).	

Change in the controlling shareholders during the reporting period

☐ Applicable ☒ N/A

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

### 3. Actual controllers of the Company and their concert parties

Nature of actual controllers: Domestic natural persons

Type of actual controllers: Natural persons

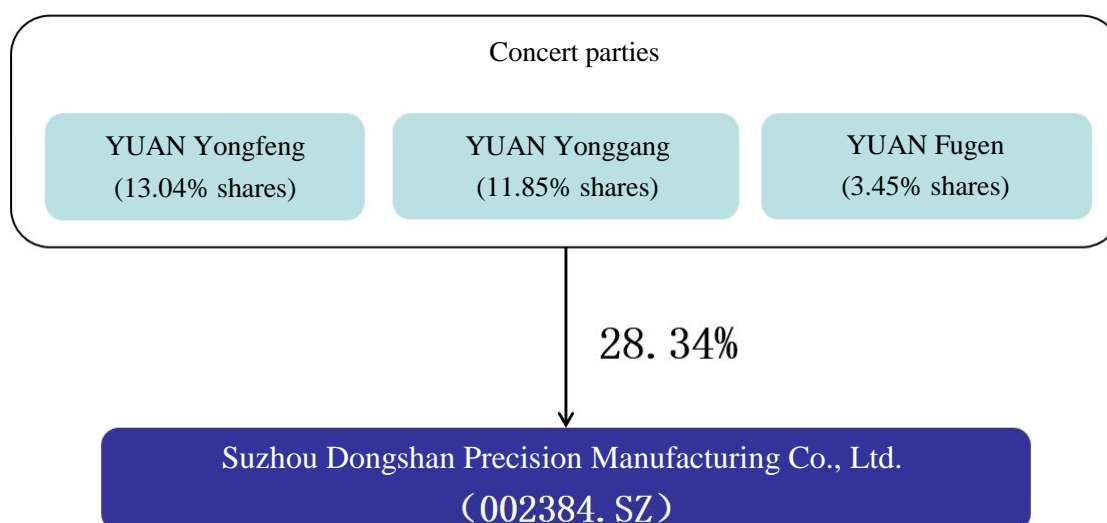
Name of the actual controller	Relationship with the actual controller	Nationality	Whether or not having obtained residency in any other country or region
YUAN Yongfeng	Himself	China	No
YUAN Yonggang	Himself	China	Yes
YUAN Fugen	Himself	China	No
Main occupation and title	See “III. Shareholders and Actual Controllers – 2. Controlling shareholders of the Company” above.		
Domestic or foreign listed companies that have been controlled by the actual controllers in the past 10 years	See “III. Shareholders and Actual Controllers – 2. Controlling shareholders of the Company” above.		

Change in the actual controllers during the reporting period

☐ Applicable ☒ N/A

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

Diagram of ownership and control relationship between the Company and its actual controllers:



The actual controllers control the Company through trust or other assets management methods

☐ Applicable ☒ N/A

### 4. Whether the controlling shareholder or largest shareholder of the Company and its concert parties have pledged more than 80% of shares held by them in the Company in aggregate?

☐ Applicable ☒ N/A

**5. Other corporate shareholders owning over 10% of shares in the Company**

☐ Applicable ☒ N/A

**6. Restrictions on the sale of shares by the controlling shareholder, actual controller, parties involved in restructuring, and other covenants**

☐ Applicable ☒ N/A

**IV. Share Repurchases Effected during the Reporting Period**

Progress of share repurchases

☒ Applicable ☐ N/A

Disclosure date of the repurchase plan	Number of shares proposed to be repurchased (share)	% of total share capital	Amount of shares proposed to be repurchased (in RMB 0'000)	Proposed period of repurchase	Use of shares repurchased	Number of shares already repurchased	Ratio of shares repurchased to the target shares under the equity incentive plan (if any)
December 20, 2023	729900-1094900	0.04%-0.06%	2,000-3,000	12 months following the date when the share repurchase plan was approved by the Board of Directors	Employee stock ownership plan or equity incentive	1,588,800	

Note: As of January 15, 2024, we have repurchased a total of 1.5888 million shares of the Company through call auction under the dedicated securities account for repurchase, accounting for 0.093% of the Company's total share capital, where the highest trading price was RMB 15.89/share, the lowest trading price was RMB 15.59/share, and the total transaction amount was RMB 24.9970 million (excluding handling fees). The repurchase of shares is in compliance with the provisions of laws and regulations and the Company's plan of share repurchase. Our plan of share repurchase has been fully implemented. Please refer to the relevant announcement disclosed on [www.cninfo.com.cn](http://www.cninfo.com.cn) and our designated newspapers for information disclosure.

Progress of sale or repurchase of shares by call auction

☐ Applicable ☒ N/A

## **Section VIII Preferred Shares**

☐ Applicable ☒ N/A

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

## **Section IX Bonds**

☐ Applicable ☒ N/A



## Section X Financial Report

### I. Auditor's Report

Audit opinion	Standard unqualified opinion
Signing date of the auditor's report	April 23, 2025
Auditor	Pan-China Certified Public Accountants LLP
Document number of the auditor's report	PCCPA Audit [2025] No. 5-61
Name of certified public accountants	ZHANG Yang and FU Zhenlong

Text

#### Auditor's Report

PCCPA Audit [2025] No. 5-61

To shareholders of Suzhou Dongshan Precision Manufacturing Co., Ltd.,

#### I. Opinion

We have audited the financial statements of Suzhou Dongshan Precision Manufacturing Co., Ltd. (the "Company"), which comprise the consolidated and standalone balance sheets as of December 31, 2024, consolidated and standalone income statements, consolidated and standalone cash flow statements, and consolidated and standalone statements of changes in owners' equity for the year ended December 31, 2024, and notes to the financial statements.

In our opinion, the accompanying financial statements are prepared and present fairly, in all material respects, the consolidated and standalone financial positions of the Company as of December 31, 2024 and its consolidated and standalone results of operations and cash flows for the year ended December 31, 2024 in accordance with the Accounting Standards for Business Enterprises (the "CASBEs").

#### II. Basis for 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 "Responsibilities of the certified public accountants for the audit of the financial statements" below. We are independent of the Company in accordance with the *Code of Ethics for Certified Public Accountants of China*, and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 for 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 provide a separate opinion on these matters.

#### (I) Revenue recognition

##### 1. Description

Refer to “Section X – V(37) and VII(61)” of this Report for detailed information disclosure.

The operating revenue of the Company was primarily generated from the sale of electronic circuits, LED display devices, touch panels and LCMs, precision components and other products, which amounted to RMB 36,770,374,300 in 2024.

Since operating revenue is a key performance indicator of the Company, and there is an inherent risk that the management of the Company (the “Management”) may attempt to achieve the specific objectives or expectations through improper revenue recognition, we identified revenue recognition as a critical audit matter.

##### 2. Audit response

Our audit procedures related to revenue recognition included the following, among others:

(1) Obtained an understanding of the key internal controls related to revenue recognition, assessed the design of such controls, determined whether such controls have been implemented, and tested the effectiveness of the relevant internal controls;

(2) Examined the sales contracts, obtained an understanding of the main contract terms and conditions, and assessed the appropriateness of the method of revenue recognition;

(3) With respect to the revenue from domestic sales, examined on a sample basis the sales contracts, sales invoices, delivery orders, delivery notes and other supporting documents; with respect to the revenue from export, obtained the relevant information from the China Electronic Port, checked the same against the book records kept by the Company, and examined on a sample basis the sales contracts, sales invoices, delivery orders, export declaration forms, bills of lading and other supporting documents;

(4) Analyzed the operating revenues and gross margin by month, product and customer, identified major or abnormal fluctuations, and found out the causes;

(5) With respect to accounts receivable confirmation, selected sampled items to confirm the sales amounts via confirmation letters;

(6) Conducted cut-off tests on the operating revenues recognized around the balance sheet date to check whether the operating revenues were recognized in the proper period; and

(7) Examined whether the information related to operating revenues has been properly presented in the financial statements.

## (II) Net realizable value of inventories

## 1. Description

Refer to “Section X – V(17) and VII(10)” of this Report for detailed information disclosure.

As of December 31, 2024, the Company’s book balance of inventories was RMB 7,163,376,800, the inventory provision was RMB 1,010,721,200, and the carrying value of inventories was RMB 6,152,655,600.

Inventories are measured at the lower of the cost and net realizable value. The Management determines the net realizable value according to the estimated selling price less the estimated cost of completion, estimated selling expenses and related taxes. Due to the significant amount of inventories and the significant judgment of the Management involved in determining the net realizable values of inventories, we identified the net realizable values of inventories as a critical audit matter.

## 2. Audit response

Our audit procedures related to the net realizable values of inventories included the following, among others:

(1) Obtained an understanding of the key internal controls related to the net realizable values of inventories, assessed the design of such controls, determined whether they have been executed, and tested the effectiveness of such internal controls;

(2) With respect to the net realizable value of inventories estimated by the Management in prior years, reviewed the relevant results or subsequent re-estimates made by the Management;

(3) Selected items to assess the reasonableness of the estimated selling prices of inventories, so as to verify whether the estimated selling prices were consistent with the prices on sales contracts, sales prices on the market and historical data, etc.;

(4) Evaluated the reasonableness of the estimation made by the Management regarding the costs, selling expenses and relevant taxes before the inventories were completed;

(5) Tested whether the calculation of the net realizable value of inventories made by the Management was accurate;

(6) With reference to stock counting of inventories under supervision, identified inventories that were long-aged, outdated, decreased in production, subject to fluctuation in production costs or selling prices, or experienced changes in technologies or market demands, and assessed the reasonableness of the estimation of the net realizable value of inventories made by the Management; and

(7) Examined whether the information related to the net realizable value of inventories has been properly presented in the financial statements.

## (III) Impairment of fixed assets

## 1. Description

Refer to “Section X – V(24) and VII(21)” of this Report for detailed information disclosure.

Subject to the impact of the market and economic environments, Yancheng Dongshan Precision Manufacturing Co., Ltd. (“Yancheng Dongshan”), a subsidiary of DSBJ, suffered losses continuously and had partial fixed assets idle. The Management considered that there were signs indicating the impairment of relevant fixed assets, so that the carrying value of such fixed assets could not be fully recovered with the future cash flow generated by such assets or disposal of such assets. As of December 31, 2024, the carrying value of Yancheng Dongshan’s fixed assets was RMB 1,911,351,000.

Given the significant judgment of the Management in making the provision for impairment of fixed assets, especially the inherent uncertainty in predicting the future cash flow and estimating the recoverable amount of the fixed assets, and the possible effect of the Management’s preference, we identified the impairment of fixed assets as a key audit matter.

## 2. Audit response

Our audit procedures related to impairment of fixed assets included the following, among others:

(1) Obtained an understanding of the key internal controls related to impairment of fixed assets, assessed the design of such controls, determined whether they have been executed, and tested the effectiveness of such internal controls;

(2) Examined relevant fixed assets on site and implemented stock counting under supervision to identify problems of outdated process and technologies, assets idle for a long period of time, the utilization of production capacities, etc.;

(3) Assessed the competencies, professional quality and objectivity of the external appraisers engaged by the Management;

(4) Assessed the appropriateness and consistency of the approaches adopted by the Management in impairment tests;

(5) Assessed the appropriateness of the material assumptions used by the Management in impairment tests and whether the relevant assumptions were consistent with the overall economic environment, industrial conditions, operating situations, historical experience, business plans, approved budgets, and other assumptions used by the Management in relation to the financial statements;

(6) Tested the appropriateness, relevance and reliability of the data used by the Management in impairment tests and reviewed the consistency of inputs in impairment tests;

(7) Tested the accuracy of the calculation of the estimated present value of future cash flows by the Management; and

(8) Examined whether the information related to impairment of fixed assets has been properly presented in the financial statements.

## IV. Other information

The Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our Auditor’s Report.

Our opinion in the financial statements does not cover the other information, and we will not express any form of assurance conclusions 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 we conclude that there is a material misstatement therein, we are required to communicate such matter. 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 the preparation and fair presentation of the financial statements in accordance with the CASBE, and the design, implementation and maintenance of internal controls that are necessary to enable 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 relating 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 are responsible for overseeing the financial reporting process of the Company.

#### **VI. Responsibilities of the Certified Public Accountants 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 audit standards 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.

As part of an audit in accordance with the audit standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(I) Identify and assess the risks of material misstatement 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;

(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 doubts on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the audit standards 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 underlying transactions and events in a manner that achieves fair presentation; and

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company, to express an opinion in the financial statements. We are responsible for the direction, supervision and performance of the audit of the Group, and solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any noteworthy deficiencies in internal control 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 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 critical 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## II. Financial statements

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

### 1. Consolidated balance sheet

Prepared by: Suzhou Dongshan Precision Manufacturing Co., Ltd.  
December 31, 2024

In RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	7,172,331,252.29	7,190,036,231.06
Settlement deposit		
Loans to banks and other financial institutions		
Financial assets held for trading	78,144,342.95	146,141,371.77
Derivative financial assets		
Notes receivable	9,037,098.60	3,407,623.49
Accounts receivable	7,663,458,025.49	7,713,164,772.05
Accounts receivable financing	252,612,009.41	290,477,095.22
Advances to suppliers	93,875,465.69	79,782,739.11
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	45,836,662.39	77,134,897.39
Incl.: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventories	6,152,655,607.85	6,293,879,276.54
Incl.: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,209,842,283.99	651,719,745.68
Total current assets	22,677,792,748.66	22,445,743,752.31
Non-current assets:		
Loans and advances to clients		
Debt investments		
Other debt investments		
Long-term receivable	30,000,000.00	30,000,000.00
Long-term equity investment	155,008,795.68	155,406,879.89
Investments in other equity instruments	333,657,110.00	278,157,110.00

Other non-current financial assets		
Investment properties	781,129.10	1,038,840.26
Fixed assets	13,595,191,232.40	12,415,251,689.80
Construction in progress	2,575,154,318.35	1,842,525,188.54
Productive biological assets		
Oil and gas assets		
Right-of-use assets	1,313,776,299.13	1,252,668,050.83
Intangible assets	962,594,133.34	863,692,421.74
Incl.: Data resources		
Development expenses		
Incl.: Data resources		
Goodwill	2,119,612,220.47	2,209,199,500.98
Long-term deferred expenses	903,599,713.89	866,872,191.21
Deferred tax assets	834,450,612.08	1,078,140,428.38
Other non-current assets	512,554,751.37	933,022,974.34
Total non-current assets	23,336,380,315.81	21,925,975,275.97
Total assets	46,014,173,064.47	44,371,719,028.28
Current liabilities:		
Short-term borrowings	4,810,954,130.69	5,156,100,217.01
Borrowings from Central Bank		
Borrowings from banks and other financial institutions		
Financial liabilities held for trading	82,922,390.17	104,174,076.23
Derivative financial liabilities		
Notes payable	935,581,272.50	909,171,215.93
Accounts payable	9,659,268,990.43	8,039,107,176.52
Advances from clients		
Contract liabilities	122,562,435.14	28,982,676.07
Financial assets sold under repurchase agreements		
Deposits from clients and other banks		
Funds received as stock broker		
Funds received as underwriter of securities		
Employee benefits payable	597,573,087.02	553,178,980.68
Taxes payable	395,772,127.76	475,576,206.83
Other payables	94,163,223.90	80,188,628.54
Incl.: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one	2,458,987,301.36	2,496,716,906.35



year		
Other current liabilities	5,190,838.21	6,556,017.38
Total current liabilities	19,162,975,797.18	17,849,752,101.54
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	5,289,187,891.33	4,706,280,338.76
Bonds payable		
Incl.: Preferred shares		
Perpetual bonds		
Lease liabilities	1,351,518,837.18	1,842,799,193.80
Long-term payables	49,434,786.31	296,995,789.48
Long-term employee benefits payable		
Provisions	58,258,872.92	60,785,210.44
Deferred income	585,933,889.89	733,456,685.17
Deferred tax liabilities	630,759,756.43	691,293,111.83
Other non-current liabilities		
Total non-current liabilities	7,965,094,034.06	8,331,610,329.48
Total liabilities	27,128,069,831.24	26,181,362,431.02
Owners' equity:		
Share capital	1,705,913,710.00	1,709,867,327.00
Other equity instruments		
Incl.: Preferred shares		
Perpetual bonds		
Capital reserve	7,992,284,435.83	8,063,768,409.73
Less: Treasury shares	74,991,696.79	125,906,811.33
Other comprehensive income	-317,104,374.08	-714,664,578.64
Special reserve		
Surplus reserve	232,241,216.54	184,866,869.73
General risk reserve		
Retained profits	9,288,043,977.88	9,025,095,529.05
Total owners' equity attributable to the parent company	18,826,387,269.38	18,143,026,745.54
Minority interests	59,715,963.85	47,329,851.72
Total owners' equity	18,886,103,233.23	18,190,356,597.26
Total liabilities and owners' equity	46,014,173,064.47	44,371,719,028.28

Legal Representative: YUAN Yonggang    CFO: WANG Xu    Accounting Supervisor: ZHU Deguang

## 2. Standalone balance sheet

In RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	1,090,000,348.49	1,121,824,500.79
Financial assets held for trading		
Derivative financial assets		
Notes receivable		182,944.04
Accounts receivable	3,143,492,614.37	2,084,703,275.22

Accounts receivable financing	18,920,385.63	16,445,639.29
Advances to suppliers	39,423,778.51	264,702,649.93
Other receivables	5,969,486,558.66	5,252,635,539.56
Incl.: Interest receivable		
Dividends receivable	1,495,758,008.53	2,203,111,413.70
Inventories	986,847,112.47	1,299,182,931.81
Incl.: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	71,972,689.92	50,271,463.84
Total current assets	11,320,143,488.05	10,089,948,944.48
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivable	30,000,000.00	30,000,000.00
Long-term equity investment	9,627,857,599.31	9,466,303,266.56
Investments in other equity instruments	221,322,110.00	171,322,110.00
Other non-current financial assets		
Investment properties		
Fixed assets	775,223,315.27	1,292,621,445.22
Construction in progress	148,492,748.83	237,324,474.45
Productive biological assets		
Oil and gas assets		
Right-of-use assets	2,609,200.64	4,566,101.24
Intangible assets	61,524,955.69	61,083,591.40
Incl.: Data resources		
Development expenses		
Incl.: Data resources		
Goodwill		
Long-term deferred expenses	89,330,126.49	87,384,070.37
Deferred tax assets	36,909,520.17	189,735,608.41
Other non-current assets	70,661,066.13	163,595,104.57
Total non-current assets	11,063,930,642.53	11,703,935,772.22
Total assets	22,384,074,130.58	21,793,884,716.70
Current liabilities:		
Short-term borrowings	2,294,208,162.79	2,911,521,728.06
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	585,570,169.87	449,069,523.81
Accounts payable	1,389,942,826.35	1,326,777,885.36
Advances from clients		

Contract liabilities	18,959,880.87	11,196,344.94
Employee benefits payable	30,758,082.10	53,045,775.35
Taxes payable	3,170,402.36	3,260,417.40
Other payables	5,101,960,753.88	3,680,367,551.64
Incl.: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	799,561,489.98	834,828,298.62
Other current liabilities	1,508,828.34	3,373,087.29
Total current liabilities	10,225,640,596.54	9,273,440,612.47
Non-current liabilities:		
Long-term borrowings	2,251,616,980.54	2,405,437,622.23
Bonds payable		
Incl.: Preferred shares		
Perpetual bonds		
Lease liabilities	861,053.29	2,741,061.12
Long-term payables		226,168,789.48
Long-term employee benefits payable		
Provisions	1,125,097.32	1,852,066.56
Deferred income	16,473,333.57	19,403,333.49
Deferred tax liabilities	534,830.01	920,551.61
Other non-current liabilities		
Total non-current liabilities	2,270,611,294.73	2,656,523,424.49
Total liabilities	12,496,251,891.27	11,929,964,036.96
Owners' equity:		
Share capital	1,705,913,710.00	1,709,867,327.00
Other equity instruments		
Incl.: Preferred shares		
Perpetual bonds		
Capital reserve	7,890,754,703.00	7,962,239,056.77
Less: Treasury shares	74,991,696.79	125,906,811.33
Other comprehensive income		-350,000,000.00
Special reserve		
Surplus reserve	232,241,216.54	184,866,869.73
Retained profits	133,904,306.56	482,854,237.57
Total owners' equity	9,887,822,239.31	9,863,920,679.74
Total liabilities and owners' equity	22,384,074,130.58	21,793,884,716.70

### 3. Consolidated income statement

In RMB

Item	2024	2023
I. Total operating revenue	36,770,374,347.58	33,651,205,468.80
Incl.: Operating revenue	36,770,374,347.58	33,651,205,468.80
Interest income		
Premiums earned		

Fee and commission income		
II. Total operating costs	34,556,547,462.54	31,334,350,168.82
Incl.: Operating cost	31,615,008,629.39	28,541,641,042.74
Interest expenses		
Fee and commission expenses		
Surrenders		
Net payments for insurance claims		
Net insurance claim reserves		
Policyholder dividends		
Reinsurance expenses		
Taxes and surcharges	167,042,863.87	122,969,094.29
Selling expenses	454,017,787.21	362,094,101.76
Administrative expenses	1,112,402,085.44	957,323,918.86
R&D expenses	1,266,812,544.23	1,161,190,274.48
Financial expenses	-58,736,447.60	189,131,736.69
Incl.: Interest expenses	438,226,327.56	463,688,943.50
Interest income	243,071,834.40	225,593,949.55
Add: Other income	523,255,832.55	249,881,956.51
Investment income (loss expressed with “-”)	-22,034,772.62	4,158,524.35
Incl.: Investment income from associates and joint ventures	-398,084.25	-10,820,910.91
Gain on derecognition of financial assets at amortized cost		
Exchange gain (loss expressed with “-”)		
Net exposure hedging income (loss expressed with “-”)		
Gain on changes in fair value (loss expressed with “-”)	-17,898,094.22	-9,740,779.67
Credit impairment loss (loss expressed with “-”)	-44,109,673.59	-39,436,689.63
Impairment loss on assets (loss expressed with “-”)	-938,687,855.79	-438,676,762.78
Gain on disposal of assets (loss expressed with “-”)	-234,749,852.86	-18,240,640.06
III. Operating profit (loss expressed with “-”)	1,479,602,468.51	2,064,800,908.70
Add: Non-operating revenue	9,260,396.63	141,478,735.80
Less: Non-operating expenses	21,151,029.02	15,191,689.58
IV. Profit before tax (loss expressed with “-”)	1,467,711,836.12	2,191,087,954.92
Less: Income tax expenses	382,650,922.07	226,037,787.50
V. Net profit (loss expressed with “-”)	1,085,060,914.05	1,965,050,167.42
(I) Classified by continuity of operation		
1. Net profit from continuing operation (loss expressed with “-”)	1,085,060,914.05	1,965,050,167.42
2. Net profit from discontinued operation (loss expressed with “-”)		
(II) Classified by attribution		
1. Net profit attributable to owners of the parent company	1,085,641,847.89	1,964,525,269.65
2. Profit attributable to minority interests	-580,933.84	524,897.77
VI. Other comprehensive income, net	47,560,204.56	-21,688,573.43
Other comprehensive income attributable to owners of the parent company, net after tax	47,560,204.56	-21,688,573.43
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes arising from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		

3. Change in fair value of investments in other equity instruments		
4. Change in fair value of the corporation's credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss	47,560,204.56	-21,688,573.43
1. Other comprehensive income that can be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge	13,125,520.72	39,915,469.78
6. Differences in translation of foreign currency financial statements	34,434,683.84	-61,604,043.21
7. Others		
Other comprehensive income attributable to minority interests, net after tax		
VII. Total comprehensive income	1,132,621,118.61	1,943,361,593.99
Total comprehensive income attributable to owners of the parent company	1,133,202,052.45	1,942,836,696.22
Total comprehensive income attributable to minority interests	-580,933.84	524,897.77
VIII. Earnings per share		
(I) Basic earnings per share	0.64	1.15
(II) Diluted earnings per share	0.64	1.15

Legal Representative: YUAN Yonggang CFO: WANG Xu Accounting Supervisor: ZHU Deguang

#### 4. Standalone income statement

In RMB

Item	2024	2023
I. Operating revenue	4,750,880,680.91	3,737,530,873.50
Less: Operating cost	4,071,450,528.91	3,381,377,455.45
Taxes and surcharges	20,509,211.02	7,671,794.48
Selling expenses	41,590,505.69	65,003,786.00
Administrative expenses	267,655,862.76	264,117,661.70
R&D expenses	223,564,889.84	252,953,031.98
Financial expenses	161,027,919.44	244,140,628.33
Incl.: Interest expenses	322,381,094.38	355,406,845.27
Interest income	52,566,198.94	97,881,674.07
Add: Other income	33,990,328.28	5,526,956.76
Investment income (loss expressed with "-")	593,170,019.98	1,097,355,440.91
Incl.: Investment income from associates and joint ventures	5,584,848.30	-7,147,658.81
Gain on derecognition of financial assets at amortized cost (loss expressed with "-")		
Net exposure hedging income (loss expressed with "-")		
Gain on changes in fair value (loss expressed with "-")	-13,243,914.03	
Credit impairment loss (loss expressed with "-")	17,367,223.10	-53,563,010.03
Impairment loss on assets (loss expressed with "-")	-27,906,250.25	-73,708,230.19
Gain on disposal of assets (loss expressed with "-")	-1,030,988.54	932,378.60
II. Operating profit (loss expressed with "-")	567,428,181.79	498,810,051.61
Add: Non-operating revenue	66,579,410.21	94,150.75
Less: Non-operating expenses	7,823,757.31	3,700,557.85
III. Profit before tax (loss expressed with "-")	626,183,834.69	495,203,644.51

Less: Income tax expenses	152,440,366.64	13,298.17
IV. Net profit (loss expressed with “-”)	473,743,468.05	495,190,346.34
(I) Net profit from continuing operation (loss expressed with “-”)	473,743,468.05	495,190,346.34
(II) Net profit from discontinued operation (loss expressed with “-”)		
V. Other comprehensive income, net		-4,538,660.00
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes arising from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of the corporation’s credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss		-4,538,660.00
1. Other comprehensive income that can be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge		-4,538,660.00
6. Differences in translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	473,743,468.05	490,651,686.34
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated cash flow statement

In RMB

Item	2024	2023
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	36,888,162,952.22	32,739,066,437.34
Net increase in deposits from clients and other banks		
Net increase in borrowings from Central Bank		
Net increase in borrowings from other financial institutions		
Proceeds from premiums under prior insurance contracts		
Net proceeds from reinsurance business		
Net increase in insured’s deposits and investments		
Proceeds from interest, fees and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase in receipts under repurchase transactions		
Net cash received as stock broker		
Tax refunds received	1,110,541,496.13	1,137,521,361.97
Other proceeds relating to operating activities	1,080,208,971.62	1,064,645,853.79
Cash provided by operating activities	39,078,913,419.97	34,941,233,653.10
Payments for purchase of goods and receipt of services	27,320,456,007.82	23,717,207,870.38
Net increase in loans and advances from clients		
Net increase in deposits in Central Bank and other banks		
Payment of claims under prior insurance contracts		
Net increase in loans to banks and other financial institutions		
Payment of interest, fees and commissions		

Payment of policyholder dividends		
Payments to and for employees	4,844,071,324.22	4,361,937,171.07
Taxes paid	704,488,780.75	605,774,751.89
Other payments relating to operating activities	1,223,878,618.70	1,083,894,389.56
Cash used in operating activities	34,092,894,731.49	29,768,814,182.90
Net cash flows from operating activities	4,986,018,688.48	5,172,419,470.20
II. Cash flows from investing activities:		
Proceeds from disposal of investments	331,862,195.88	456,515,984.16
Proceeds from return on investments	665,777.96	130,859,749.94
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	173,295,074.50	37,557,278.12
Net proceeds from the disposal of subsidiaries and other business entities	39,159,620.71	
Other proceeds relating to investing activities	920,378,244.31	439,820,656.38
Cash provided by investing activities	1,465,360,913.36	1,064,753,668.60
Payments for the acquisition of fixed assets, intangible assets and other long-term assets	3,792,143,747.46	3,466,863,364.13
Payments for investments	328,162,771.38	664,445,169.56
Net increase in mortgage loans		
Net payments for the acquisition of subsidiaries and other business entities		863,778,442.89
Other cash payments relating to investing activities	1,438,740,539.88	908,569,017.53
Cash used in investing activities	5,559,047,058.72	5,903,655,994.11
Net cash flows from investing activities	-4,093,686,145.36	-4,838,902,325.51
III. Cash flows from financing activities:		
Proceeds from investors		
Incl.: Proceeds of subsidiaries from minority shareholders' investments		
Cash receipts from borrowings	9,292,322,928.58	13,365,424,866.08
Other proceeds relating to financing activities	1,013,657,755.68	1,329,035,764.61
Cash provided by financing activities	10,305,980,684.26	14,694,460,630.69
Repayment of borrowings	9,305,852,934.81	12,628,310,459.03
Payment of distribution of dividends and profits or for interest	789,614,962.62	566,998,901.47
Incl.: Dividends and profits distributed by subsidiaries to minor shareholders		131,033.08
Other payments relating to financing activities	1,529,880,189.66	1,741,698,784.20
Cash used in financing activities	11,625,348,087.09	14,937,008,144.70
Net cash flows from financing activities	-1,319,367,402.83	-242,547,514.01
IV. Effect of exchange rate changes on cash and cash equivalents	126,148,223.77	96,490,564.93
V. Net increase in cash and cash equivalents	-300,886,635.94	187,460,195.61
Add: Opening balance of cash and cash equivalents	5,644,487,018.31	5,457,026,822.70
VI. Closing balance of cash and cash equivalents	5,343,600,382.37	5,644,487,018.31

## 6. Standalone cash flow statement

Item	In RMB	
	2024	2023
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	3,087,518,926.49	3,599,977,055.52
Tax refunds received	79,327,801.50	170,635,154.61
Other proceeds relating to operating activities	5,758,926,751.58	2,473,918,043.84
Cash provided by operating activities	8,925,773,479.57	6,244,530,253.97
Payments for purchase of goods and receipt of services	2,829,046,533.99	3,993,122,870.14
Payments to and for employees	374,024,194.96	408,725,850.72
Taxes paid	74,184,275.05	25,001,677.19
Other payments relating to operating activities	5,022,100,747.33	1,209,977,998.48
Cash used in operating activities	8,299,355,751.33	5,636,828,396.53
Net cash flows from operating activities	626,417,728.24	607,701,857.44
II. Cash flows from investing activities:		

Proceeds from disposal of investments	52,599,999.99	15,357,541.22
Proceeds from return on investments	1,487,814,382.67	115,022,537.63
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	2,321,703.00	15,584,415.51
Net proceeds from the disposal of subsidiaries and other business entities		
Other proceeds relating to investing activities	348,788,350.25	72,539,552.45
Cash provided by investing activities	1,891,524,435.91	218,504,046.81
Payments for the acquisition of fixed assets, intangible assets and other long-term assets	178,368,792.91	218,313,936.35
Payments for investments	264,999,999.99	1,671,525,214.35
Net payments for the acquisition of subsidiaries and other business entities		
Other cash payments relating to investing activities	2,145,958,659.54	557,893,589.63
Cash used in investing activities	2,589,327,452.44	2,447,732,740.33
Net cash flows from investing activities	-697,803,016.53	-
Net cash flows from investing activities		2,229,228,693.52
III. Cash flows from financing activities:		
Proceeds from investors		
Cash receipts from borrowings	3,927,134,206.67	5,892,310,572.50
Other proceeds relating to financing activities	3,092,048,892.48	
Cash provided by financing activities	7,019,183,099.15	5,892,310,572.50
Repayment of borrowings	4,732,373,761.70	4,307,827,399.66
Payment of distribution of dividends and profits or for interest	406,253,984.10	386,091,836.92
Other payments relating to financing activities	1,840,793,177.42	153,521,804.76
Cash used in financing activities	6,979,420,923.22	4,847,441,041.34
Net cash flows from financing activities	39,762,175.93	1,044,869,531.16
IV. Effect of exchange rate changes on cash and cash equivalents	91,649,076.85	21,358,018.36
V. Net increase in cash and cash equivalents	60,025,964.49	-555,299,286.56
Add: Opening balance of cash and cash equivalents	478,844,238.56	1,034,143,525.12
VI. Closing balance of cash and cash equivalents	538,870,203.05	478,844,238.56

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

Amount of the current period

In RMB

Item	2024														
	Owners' equity attributable to the parent													Min ority inter ests	Total own ers' equit y
	Shar e capit al	Other equity instruments			Capi tal reser ve	Less: Trea sury share s	Othe r com preh ensiv e inco me	Spec ial reser ve	Surp lus reser ve	Gene ral risk reser ve	Retai ned profi ts	Othe rs	Subt otal		
		Prefe red share s	Perp etual bond s	Othe rs											
I. Bala nce at the end of the previ ous	1,70 9,86 7,32 7.00				8,06 3,76 8,40 9.73	125, 906, 811. 33	- 714, 664, 578. 64		184, 866, 869. 73		9,02 5,09 5,52 9.05		18,1 43,0 26,7 45.5 4	47,3 29,8 51.7 2	18,1 90,3 56,5 97.2 6



year															
Added: Changes in accounting policies															
Correction of previous period errors															
Others															
II. Balance at the beginning of the current year	1,70 9,86 7,32 7.00				8,06 3,76 8,40 9.73	125, 906, 811. 33	- 714, 664, 578. 64		184, 866, 869. 73		9,02 5,09 5,52 9.05		18,1 43,0 26,7 45.5 4	47,3 29,8 51.7 2	18,1 90,3 56,5 97.2 6
III. Increase/(decrease) in the current period (decrease expressed with “-”)	- 3,95 3,61 7.00				- 71,4 83,9 73.9 0	- 50,9 15,1 14.5 4	397, 560, 204. 56		47,3 74,3 46.8 1		262, 948, 448. 83		683, 360, 523. 84	12,3 86,1 12.1 3	695, 746, 635. 97
(I) Total comprehensive							47,5 60,2 04.5 6				1,08 5,64 1,84 7.89		1,13 3,20 2,05 2.45	- 580, 933. 84	1,13 2,62 1,11 8.61

ensiv e inco me															
(II) Inve stme nt/(d ivest ment ) by share hold ers	- 3,95 3,61 7.00				- 71,4 83,9 73.9 0	- 50,9 15,1 14.5 4							- 24,5 22,4 76.3 6	- 5,87 0,37 9.87	- 30,3 92,8 56.2 3
1. Cont ribut ions from hold ers of ordin ary share s					- 26,2 38,6 19.5 0	25,0 00,8 46.3 0							- 51,2 39,4 65.8 0	- 5,87 0,00 0.00	- 57,1 09,4 65.8 0
2. Cont ribut ions from hold ers of other equit y instr ume nts															
3. Shar e- base d pay ment s recor ded in own ers' equit y					478, 369. 94								478, 369. 94	- 379. 87	477, 990. 07
4.	-				-	-							26,2		26,2

Others	3,953,617.00				45,723,724.34	75,915,960.84							38,619,500		38,619,500
(III) Distribution of profits									47,374,346.81		-472,693,399.06		-425,319,052.25	18,837,425.84	-406,481,626.41
1. Surplus reserve									47,374,346.81		-47,374,346.81				
2. General risk reserve															
3. Distributions to owners (shareholders)											-425,319,052.25		-425,319,052.25		-425,319,052.25
4. Others														18,837,425.84	18,837,425.84
(IV) Internal transfer of owners' equity											-350,000,000.00				
1. Transfer of capital reserve to (share) capital															

al															
2. Transfer of surplus reserve to (share) capital															
3. Make-up of losses by surplus reserve															
4. Transfer of changes in defined benefit plans to retained earnings															
5. Transfer of other comprehensive income to retained earnings							350,000,000.00				-350,000,000.00				

6. Others															
(V) Special reserve															
1. Appropriated in the current period															
2. Used in the current period															
(VI) Others															
IV. Balance at the end of the current period	1,705,913,710.00				7,992,284,435.83	74,991,696.79	-317,104,374.08		232,241,216.54		9,288,043,977.88		18,826,387,269.38	59,715,963.85	18,886,103,233.23

Amount of the previous period

In RMB

Item	2023														
	Owners' equity attributable to the parent												Min ority inter ests	Total own ers' equit y	
	Shar e capit al	Other equity instruments			Capit al reser ve	Less: Trea sury share s	Othe r com preh ensiv e inco me	Spec ial reser ve	Surp lus reser ve	Gene ral risk reser ve	Retain ed profi ts	Othe rs			Subt otal
		Prefe rred share s	Perp etual bond s	Othe rs											

I. Balance at the end of the previous year	1,709,867,327.00				8,054,894,080.77	125,906,811.33	-692,976,005.21		135,347,835.10		7,297,404,445.02		16,378,630,871.35	46,927,625.39	16,425,558,496.74
Added: Changes in accounting policies															
Correction of previous period errors															
Others															
II. Balance at the beginning of the current year	1,709,867,327.00				8,054,894,080.77	125,906,811.33	-692,976,005.21		135,347,835.10		7,297,404,445.02		16,378,630,871.35	46,927,625.39	16,425,558,496.74
III. Increase/(decrease) in the current period (decr					8,874,328.96		-21,688,573.43		49,519,034.63		1,727,691,084.03		1,764,395,874.19	402,226.33	1,764,798,100.52

ease expr esse d with “-”)																	
(I) Total com preh ensiv e inco me							- 21,6 88,5 73.4 3						1,96 4,52 5,26 9.65		1,94 2,83 6,69 6.22	524, 897. 77	1,94 3,36 1,59 3.99
(II) Inve stme nt/(d ivest ment ) by share hold ers					8,87 4,32 8.96									8,87 4,32 8.96	8,36 1.64	8,88 2,69 0.60	
1. Cont ribut ions from hold ers of ordin ary share s																	
2. Cont ribut ions from hold ers of other equit y instr ume nts																	
3. Shar e- base d pay					8,87 4,32 8.96									8,87 4,32 8.96	8,36 1.64	8,88 2,69 0.60	

ment s reco ded in own ers' equit y															
4. Othe rs															
(III) Distr ibuti on of profi ts								49,5 19,0 34.6 3		- 236, 834, 185. 62		- 187, 315, 150. 99	- 131, 033. 08	- 187, 446, 184. 07	
1. Surp lus reser ve								49,5 19,0 34.6 3		- 49,5 19,0 34.6 3					
2. Gene ral risk reser ve															
3. Distr ibuti ons to own ers (shar ehol ders)										- 187, 315, 150. 99		- 187, 315, 150. 99	- 131, 033. 08	- 187, 446, 184. 07	
4. Othe rs															
(IV) Inter nal trans fer of own ers' equit y															
1. Tran sfer															



of capit al reser ve to (shar e) capit al															
2. Tran sfer of surpl us reser ve to (shar e) capit al															
3. Mak e-up of losse s by surpl us reser ve															
4. Tran sfer of chan ges in defin ed bene fit plans to retai ned earn ings															
5. Tran sfer of other com preh ensiv															

e inco me to retai ned earn ings															
6. Othe rs															
(V) Spec ial reser ve															
1. Appr opria ted in the curre nt perio d															
2. Used in the curre nt perio d															
(VI) Othe rs															
IV. Bala nce at the end of the curre nt perio d	1,70 9,86 7,32 7.00				8,06 3,76 8,40 9.73	125, 906, 811. 33	- 714, 664, 578. 64		184, 866, 869. 73		9,02 5,09 5,52 9.05		18,1 43,0 26,7 45.5 4	47,3 29,8 51.7 2	18,1 90,3 56,5 97.2 6

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

Amount of the current period

In RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Others	Total owners' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Balance at the end of the previous year	1,709,867,327.00				7,962,239,056.77	125,906,811.33	-350,000,000.00		184,866,869.73	482,854,237.57		9,863,920,679.74
Added: Changes in accounting policies												
Correction of previous period errors												
Others												
II. Balance at the beginning of the current year	1,709,867,327.00				7,962,239,056.77	125,906,811.33	-350,000,000.00		184,866,869.73	482,854,237.57		9,863,920,679.74
III. Increase/(decrease) in the current period (decrease expressed with “-”)	-3,953,617.00				-71,484,353.77	-50,915,114.54	350,000,000.00		47,374,346.81	-348,949,931.01		23,901,559.57
(I) Total comprehensive										473,743,468.05		473,743,468.05

income												
(II) Investment/(divestment) by shareholders	- 3,953,617.00				- 71,484,353.77	- 50,915,114.54						- 24,522,856.23
1. Contributions from holders of ordinary shares					26,238,619.50	25,000,846.30						1,237,773.20
2. Contributions from holders of other equity instruments												
3. Share-based payments recorded in owners' equity					477,990.07							477,990.07
4. Others	- 3,953,617.00				- 98,200,963.34	- 75,915,960.84						- 26,238,619.50
(III) Distribution of profits									47,374,346.81	- 472,693,399.06		- 425,319,052.25
1. Surplus reserve									47,374,346.81	- 47,374,346.81		
2. Distributions										- 425,319,052.		- 425,319,052.

to owners (share holder s)										25		25
3. Others												
(IV) Interna l transfe r of owners , equity							350,00 0,000. 00			- 350,00 0,000. 00		
1. Transf er of capital reserve to (share) capital												
2. Transf er of surplus reserve to (share) capital												
3. Make- up of losses by surplus reserve												
4. Transf er of change s in define d benefit plans to retaine d earnin gs												
5. Transf er of							350,00 0,000. 00			- 350,00 0,000.		

other compr ehensi ve incom e to retaine d earnin gs										00		
6. Others												
(V) Specia l reserve												
1. Appro priated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balanc e at the end of the current period	1,705, 913,71 0.00				7,890, 754,70 3.00	74,991 ,696.7 9			232,24 1,216. 54	133,90 4,306. 56		9,887, 822,23 9.31

Amount of the previous period

In RMB

Item	2023											
	Share capital	Other equity instruments			Capital reserve	Less: Treasu ry shares	Other compr ehensi ve incom e	Specia l reserve	Surplu s reserve	Retain ed profits	Others	Total owners , equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Balanc e at the end of the previo us year	1,709, 867,32 7.00				7,953, 356,36 6.17	125,90 6,811. 33	- 345,46 1,340. 00		135,34 7,835. 10	224,49 8,076. 85		9,551, 701,45 3.79
A												

dd: Chang es in accoun ting policie s												
Correc tion of previo us period errors												
Others												
II. Balanc e at the beginn ing of the current year	1,709, 867,32 7.00				7,953, 356,36 6.17	125,90 6,811. 33	- 345,46 1,340. 00		135,34 7,835. 10	224,49 8,076. 85		9,551, 701,45 3.79
III. Increas e/(decr ease) in the current period (decre ase expres sed with “- ”)					8,882, 690.60		- 4,538, 660.00		49,519 ,034.6 3	258,35 6,160. 72		312,21 9,225. 95
(I) Total compr ehensi ve incom e							- 4,538, 660.00			495,19 0,346. 34		490,65 1,686. 34
(II) Invest ment/( divest ment) by shareh olders					8,882, 690.60							8,882, 690.60
1. Contri bution s from holder												

s of ordinar y shares												
2. Contri bution s from holder s of other equity instru ments												
3. Share- based payme nts record ed in owners , equity					8,882, 690.60							8,882, 690.60
4. Others												
(III) Distrib ution of profits								49,519 ,034.6 3	- 236,83 4,185. 62			- 187,31 5,150. 99
1. Surplu s reserve								49,519 ,034.6 3	- 49,519 ,034.6 3			
2. Distrib utions to owners (share holder s)									- 187,31 5,150. 99			- 187,31 5,150. 99
3. Others												
(IV) Interna l transfe r of owners , equity												
1.												



Transfer of capital reserve to (share) capital												
2. Transfer of surplus reserve to (share) capital												
3. Make-up of losses by surplus reserve												
4. Transfer of changes in defined benefit plans to retained earnings												
5. Transfer of other comprehensive income to retained earnings												
6. Others												
(V) Special reserve												

1. Appropriated in the current period												
2. Used in the current period												
(VI) Others												
IV. Balance at the end of the current period	1,709,867,327.00				7,962,239,056.77	125,906,811.33	-350,000,000.00		184,866,869.73	482,854,237.57		9,863,920,679.74

### III. General Information of the Company

Suzhou Dongshan Precision Manufacturing Co., Ltd. (the “Company”) is a company limited by shares converted from Suzhou Dongshan Sheet Metal Co., Ltd., and registered with the Suzhou Municipal Administration for Industry and Commerce of Jiangsu on December 24, 2007, and is headquartered in Suzhou, Jiangsu, holds a business license with unified social credit code of 91320500703719732P, and has a registered capital of RMB 1,705,913,710, divided into 1,705,913,710 shares with a par value of RMB 1 each share, of which, 319,591,987 shares are non-tradable A-shares, and 1,386,321,723 shares are tradable A-shares. The Company’s shares have been listed and traded on the Shenzhen Stock Exchange since April 9, 2010.

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

These financial statements are approved for release at the 19<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors on April 23, 2025.

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

#### 1. Basis for preparation

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

## 2. Going concern

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

## V. Significant Accounting Policies and Accounting Estimates

Note about specific accounting policies and accounting estimates:

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

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

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

### 2. Accounting period

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

### 3. Operating cycle

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

### 4. Functional currency

The Company adopts RMB as its functional currency. Subsidiaries of the Company adopt the currencies of their main economic environment in which they operate as the functional currencies, where subsidiaries in Chinese Mainland use RMB, and subsidiaries outside of Chinese Mainland use USD, THB, MXN etc. depending on the main economic environment in which they operate. These financial statements are presented in RMB.

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

☒ Applicable ☐ N/A

Item	Materiality criteria
Significant accounts receivable	Individual accounts receivable accounting for over 0.3% of the total assets of the

assessed for impairment loss individually	Company are recognized as significant accounts receivable.
Significant written off accounts receivable	Individual written off accounts receivable accounting for over 0.3% of the total assets of the Company are recognized as significant written off accounts receivable.
Significant dividends receivable aged over one year	Individual dividends receivable aged over one year and accounting for over 0.5% of the total assets of the Company are recognized as significant dividends receivable aged over one year.
Significant constructions in progress	Individual investments in constructions in progress accounting for over 0.5% of the total assets of the Company are recognized as significant constructions in progress.
Significant accounts payable aged over one year	Accounts payable aged over one year and accounting for over 0.5% of the total assets of the Company are recognized as significant accounts payable aged over one year.
Significant cash flows from investing activities	Cash flows from investing activities accounting for over 10% of the total assets of the Company are recognized as significant cash flows from investing activities.
Significant subsidiaries and non-wholly-owned subsidiaries	Subsidiaries with the total profit accounting for over 15% of the Group's total profit are recognized as significant subsidiaries and non-wholly-owned subsidiaries.
Significant associates	Associates with investment incomes attributable to the Company accounting for over 15% of the Group's total profit are recognized as significant associates.

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

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

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

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

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

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

### 1. Determination of control

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

## 2. Method of preparation of consolidated financial statements

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

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

## 9. Recognition of cash and cash equivalents

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

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

### 1. Translation of foreign currency transactions

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

### 2. Translation of foreign currency financial statements

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

## 11. Financial instruments

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

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

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

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

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

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

#### (2) Subsequent measurement of financial assets

##### 1) Financial assets at amortized cost

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

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

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

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

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

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

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

### (3) Subsequent measurement of financial liabilities

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

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

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

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

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

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

#### 4) Financial liabilities at amortized cost

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

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

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

① the contractual right to receive cash flows from the financial assets has expired; or

② the financial assets have been transferred and such transfer meets the criteria for derecognition of financial assets as set forth in CASBE 23 “Transfer of Financial Assets”.

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

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

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

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

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



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

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

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

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

#### 5. Impairment of financial instruments

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

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

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

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

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

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

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

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

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

#### 6. Offsetting of financial assets and financial liabilities

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

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

#### (XI). Determination and recognition of expected credit losses on accounts receivable and contract assets

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

Group type	Basis for grouping	Method for measuring expected credit losses
Banker's acceptance bills receivable	Type of bills	By reference to historical credit loss experience, and taking into account the current situations and prediction of future economic conditions, calculate the expected credit losses according to the default risk exposure and rate of lifetime expected credit loss.

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

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

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

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

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

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

## 12. Notes receivable

## 13. Accounts receivable

## 14. Accounts receivable financing

## 15. Other receivables

## 16. Contract assets

## 17. Inventories

### 1. Classification of inventories

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

## 2. Valuation of inventories dispatched

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

## 3. Inventory system

The perpetual inventory system is adopted.

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

### (1) Low-value consumables

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

### (2) Packing materials

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

## 5. Inventory provision

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

## 18. Assets held for sale

## 19. Debt investments

## 20. Other debt investments

## 21. Long-term receivable

## 22. Long-term equity investments

### 1. Determination of joint control and significant influence

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

## 2. Determination of investment cost

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

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

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

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

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

2) In the consolidated financial statements, if the transactions constitute a package deal, the Company accounts for such transactions as one deal to gain control. If such transactions do not constitute a package deal, the equity held in the acquiree prior to the acquisition date is remeasured at its fair value at the acquisition date, with the difference between its fair value and carrying value recognized as an investment income for the current period; if the equity held in the acquiree prior to the acquisition date involves other comprehensive income under the equity method, such other comprehensive income is transferred to the income for

the period in which the acquisition date falls, except for other comprehensive income arising from remeasurement of changes in net liabilities or net assets of defined benefit plans.

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

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

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

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

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

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

1) such transactions are concluded simultaneously or in consideration of their mutual effect;

2) such transactions will achieve a complete business result only as a whole;

3) the occurrence of a transaction depends on the occurrence of at least another transaction; and/or

4) a transaction may be uneconomical when considered individually, but is economical when considered together with other transactions.

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

##### 1) Standalone financial statements

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

##### 2) Consolidated financial statements

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

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

### (3) Accounting treatment of transactions constituting a package deal

#### 1) Standalone financial statements

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

#### 2) Consolidated financial statements

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

## 23. Investment property

### Measurement model for investment property

#### Measured at cost

#### Method of depreciation or amortization

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

## 24. Fixed assets

### (1) Criteria for recognition

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

### (2) Depreciation

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

## 25. Construction in progress

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

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

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

## 26. Borrowing costs

### 1. Recognition of capitalization of borrowing costs

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

### 2. Period of capitalization of borrowing costs



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

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

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

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

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

## 27. Biological assets

## 28. Oil and gas assets

## 29. Intangible assets

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

1. Intangible assets, including land use right, software, patents, trademarks, customer resources, etc., are initially measured at cost.

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

Item	Service life and basis for determination of service life	Method of amortization
Land use right	50	Straight line method

Development expenses	5	Straight line method
Software	3	Straight line method
Trademarks and patents	10	Straight line method
Customer resources	10	Straight line method

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

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

### (1) Labor costs

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

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

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

### (2) Direct costs

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

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

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

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

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

(4) Amortization expenses of intangible assets

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

(5) Design costs

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

(6) Equipment commissioning costs and testing costs

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

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

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

(7) Outsourced R&D expenses

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

(8) Other expenses

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

4. Expenditures on an internal R&D project at the research phase are recognized in profit or loss in the period in which they are incurred. Expenditures on an internal R&D project at the development phase are recognized as an intangible asset if: (i) it is technically feasible to complete the intangible asset so that it will be available for use of sale; (ii) it is intended to complete the

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

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

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

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

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

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

### **32. Contract liabilities**

### **33. Employee benefits**

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

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

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

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

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

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

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

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

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

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

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

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

## **34. Provisions**

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

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

## 35. Share-based payments

### 1. Types of share-based payments

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

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

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

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

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

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

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

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

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

the vesting conditions in a manner favorable to the employees, the Company will take into account the vesting conditions as amended in the accounting thereof.

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

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

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

### **37. Revenue**

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

#### **1. Revenue recognition principle**

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

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

With respect to a performance obligation satisfied over time, the Company recognizes revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Company is unable to reasonably measure the progress of a performance obligation, but expects to recover the costs incurred in satisfying the performance obligation, the Company recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the progress of the performance obligation. With respect to a performance obligation satisfied at a point in time, the Company recognizes revenue when the customer obtains control of the relevant goods or services. In determining whether the customer has obtained control of any goods, the Company considers the following indicators: (i) the Company has a present right to payment for the goods, i.e. the

customer presently is obliged to pay for the goods; (ii) the Company has transferred the legal title to the goods to the customer, i.e. the customer has the legal title to the goods; (iii) the Company has transferred physical possession of the goods to the customer, i.e. the customer physically possesses the goods; (iv) the Company has passed the significant risks and rewards of ownership of the goods to the customer, i.e. the customer has the significant risks and rewards of ownership of the goods; (v) the customer has accepted the goods; and (vi) other indicators showing that the customer has obtained control of the goods.

## 2. Revenue measurement principle

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

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

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

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

## 3. Methods of revenue recognition

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

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



### 38. Contract costs

Contract acquisition costs, i.e. the incremental cost of acquiring a contract, are recognized as an asset if they are expected to be recovered,

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

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

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

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

### 39. Government grants

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

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

Government grants related to assets are government grants which are offered for purchasing, constructing or otherwise acquiring long-term assets as provided by the applicable government documents, or in the absence of such express provision in the applicable government documents, whose primary condition is that the Company should purchase, construct or otherwise acquire long-term assets. Government grants related to assets are offset against the carrying value of the relevant assets or recognized as

deferred income. Government grants related to assets recognized as deferred income are included in profit or loss over the service life of the relevant assets on a reasonable and systemic basis. Government grants measured at nominal amount are directly recognized in profit or loss. In case of a sale, transfer, retirement or damage of the relevant assets before the end of the intended service life, the balance of the unallocated deferred income is transferred to profit or loss for the period in which the assets are disposed of.

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

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

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

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

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

## 40. Deferred tax assets and deferred tax liabilities

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

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

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

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

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

## **41. Leases**

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

#### **1. The Company as the lessee**

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

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

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

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

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

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

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

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

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

### **2. The Company as the lessor**

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

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

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

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

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

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

## 42. Other Significant accounting policies and accounting estimates

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

#### (1) Cash flow hedge.

(2) A hedging relationship qualifies for hedge accounting if all of the following conditions are met: 1) the hedging relationship consists only of eligible hedging instruments and eligible hedged instruments; 2) at the commencement of the hedge there is formal designation of hedging instruments and hedged item, and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge; and 3) the hedging relationship meets the hedging effectiveness requirements.

The Company recognizes that the hedging relationship meets effectiveness requirements if all of the following conditions are met: 1) there is an economic relationship between the hedged item and the hedging instruments; 2) the effect of credit risk does not dominate the value changes that result from the economic relationship between the hedged item and the hedging instruments; and 3) the hedge ratio of the hedging relationship is the same as the ratio of the quantity of the hedged item that the Company actually hedges to the number of hedging instruments that the Company actually uses to hedge such hedged item, but does not reflect an imbalance between the weightings of the hedged item and the hedging instrument.

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

#### (3) Hedge accounting treatment

##### 1) Cash flow hedges

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

② If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair

value hedge accounting is applied, the Company transfers out the amount of cash flow hedge reserve previously recognized in other comprehensive income, and includes it in the initial cost of the asset or the liability.

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

## 2) Hedges of a net investment in a foreign operation

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

## 2. Accounting treatment related to share repurchase

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

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

### (1) Significant changes in accounting policies

☐ Applicable ☒ N/A

### (2) Changes in significant accounting estimates

☐ Applicable ☒ N/A

### (3) Adjustment of the opening balance of related financial statement items due to the initial adoption of new accounting standards since 2024

☐ Applicable ☒ N/A

## 44. Miscellaneous

## VI. Taxation

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

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

Different rates of enterprise income tax applicable to the taxpayers:

Taxpayer	Income tax rate
The Company, Mutto Optronics Technology Co., Ltd., MFLEX Yancheng Co., Ltd., Yancheng Dongshan Precision Manufacturing Co., Ltd., Suzhou RF Top Electronic Communication Co., Ltd., Suzhou Chengjia Precision Manufacturing Co., Ltd., Suzhou Dongdai Electronic Technology Co., Ltd., Yancheng Dongshan Communication Technology Co., Ltd., Suzhou Yongchuang Communication Technology Co., Ltd., Suzhou Jebson Intelligent Technology Co., Ltd., Suzhou Dongyue New Energy Technology Co., Ltd., and Yancheng Dongchuang Precision Manufacturing Co., Ltd.	15.00%
HongKong Dongshan Precision Union Opoelectronic Co., Ltd. and other companies incorporated in Hong Kong	16.50%
Mutto Optronics Group Limited, Mflex Delaware, Inc., The Dii Group (BVI) Co. Limited	0
Multi-Fineline Electronix, Inc. (hereinafter referred to as Mflex) and other companies incorporated in the United States	Federal corporate income tax rate, 21%; state corporate income tax rate, 0.75%-8.84%
Multi-Fineline Electronix Singapore Ptd. Ltd. and other companies incorporated in Singapore	17% (Singapore)
Multek Technologies Limited	15% (enjoying an 80% tax exemption)
Multek Technology Sweden AB	20.6% (Sweden)
Multek Technology Malaysia SDN.BHD	24% (Malaysia)
DSBJ Mexico, S.DER.L.DEC.V. and other companies in Mexico	30.00%
Multi-Fineline Electronics (Thailand) Co., Ltd.	20.00%
Multi-Fineline Electronics Hungary KFT.	9.00%
Other taxpayers not listed above	25.00%

### 2. Tax preferences

(1) Pursuant to the *Notice on Publishing the Filing of the Third Batch of High and New Technology Enterprises Recognized by the Recognition Authority of Jiangsu Province in 2022* issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises, the Company and its subsidiaries Mutto Optronics, Yancheng Dongshan

Precision Manufacturing Co., Ltd., Yancheng Dongshan Communication Technology Co., Ltd. and MFLEX Yancheng passed the high and new technology enterprise qualification review with a term of three years from 2022 to 2025, and therefore are subject to an enterprise income tax rate of 15% for the current period.

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

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

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

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

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

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

### 1. Cash and bank balances

In RMB



Item	Closing balance	Opening balance
Cash on hand	266,540.67	559,941.39
Bank deposits	5,771,485,841.70	5,874,124,506.28
Other cash and bank balances	1,400,578,869.92	1,315,351,783.39
Total	7,172,331,252.29	7,190,036,231.06
Incl.: Total amounts deposited abroad	2,457,343,027.80	1,917,732,423.09

Other information: See “Section X Financial Report – VII (31)” of this Report for cash and cash equivalents subject to restrictions on use, and cash and bank balances not classified as cash and cash equivalents.

## 2. Financial assets held for trading

In RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	78,144,342.95	146,141,371.77
Incl.:		
Investments in equity instruments	63,212,376.92	71,779,147.66
Derivatives	14,931,966.03	26,920,185.50
Wealth management products		47,442,038.61
Incl.:		
Total	78,144,342.95	146,141,371.77

## 3. Derivative financial assets

## 4. Notes receivable

### (1) Notes receivable by category

In RMB

Item	Closing balance	Opening balance
Commercial acceptance bills	9,037,098.60	3,407,623.49
Total	9,037,098.60	3,407,623.49

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Incl.:										
Allowance recognized collectively	9,082,511.16	100.00%	45,412.56	0.50%	9,037,098.60	3,424,747.23	100.00%	17,123.74	0.50%	3,407,623.49
Incl.:										

Commercial acceptance bills	9,082,511.16	100.00%	45,412.56	0.50%	9,037,098.60	3,424,747.23	100.00%	17,123.74	0.50%	3,407,623.49
<b>Total</b>	<b>9,082,511.16</b>	<b>100.00%</b>	<b>45,412.56</b>	<b>0.50%</b>	<b>9,037,098.60</b>	<b>3,424,747.23</b>	<b>100.00%</b>	<b>17,123.74</b>	<b>0.50%</b>	<b>3,407,623.49</b>

Allowance for doubtful accounts recognized collectively:

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Group of commercial acceptance bills	9,082,511.16	45,412.56	0.50%
<b>Total</b>	<b>9,082,511.16</b>	<b>45,412.56</b>	

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

☐ Applicable ☒ N/A

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

Allowance for doubtful accounts recognized in the current period:

In RMB

Type	Opening balance	Changes in the current period				Closing balance
		Recognized	Recovered or reversed	Written off	Others	
Allowance recognized collectively	17,123.74	28,288.82				45,412.56
<b>Total</b>	<b>17,123.74</b>	<b>28,288.82</b>				<b>45,412.56</b>

Significant amount of allowance for doubtful accounts recovered or reversed in the current period:

☐ Applicable ☒ N/A

## 5. Accounts receivable

### (1) Accounts receivable by age

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	7,669,860,368.06	7,522,771,106.29
Within 6 months	7,558,742,455.97	7,444,151,188.36
7-12 months	111,117,912.09	78,619,917.93
1-2 years	30,428,150.63	285,296,373.77
2-3 years	42,084,100.70	16,989,211.39
Over 3 years	218,266,298.53	369,089,730.68
3-4 years	33,424,157.23	275,176,513.49
4-5 years	103,896,595.98	53,209,221.21
Over 5 years	80,945,545.32	40,703,995.98
<b>Total</b>	<b>7,960,638,917.92</b>	<b>8,194,146,422.13</b>

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Allowance recognized individually	58,220,894.36	0.73%	57,514,295.37	98.79%	706,598.99	221,542,640.42	2.70%	220,877,891.72	99.70%	664,748.70
Incl.:										
Allowance recognized collectively	7,902,418,023.56	99.27%	239,666,597.06	3.03%	7,662,751,426.50	7,972,603,781.71	97.30%	260,103,758.36	3.26%	7,712,500,023.35
Incl.:										
Total	7,960,638,917.92	100.00%	297,180,892.43	3.73%	7,663,458,025.49	8,194,146,422.13	100.00%	480,981,650.08	5.87%	7,713,164,772.05

Allowance for doubtful accounts recognized collectively: Age

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Within 6 months	7,557,663,440.50	37,788,317.20	0.50%
7-12 months	110,164,602.65	5,508,230.13	5.00%
1-2 years	27,111,540.86	5,422,308.17	20.00%
2-3 years	41,326,744.97	24,796,046.98	60.00%
Over 3 years	166,151,694.58	166,151,694.58	100.00%
Total	7,902,418,023.56	239,666,597.06	

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

☐ Applicable ☒ N/A**(3) Allowance for doubtful accounts recognized, recovered or reversed in the current period**

Allowance for doubtful accounts recognized in the current period:

In RMB

Type	Opening balance	Changes in the current period				Closing balance
		Recognized	Recovered or reversed	Written off	Others	
Allowance recognized individually	220,877,891.72	7,456,410.87		170,692,319.36	-127,687.86	57,514,295.37
Allowance recognized collectively	260,103,758.36	33,776,568.30		59,186,775.10	4,973,045.50	239,666,597.06
Total	480,981,650.08	41,232,979.17		229,879,094.46	4,845,357.64	297,180,892.43

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

In RMB

Item	Amount written off
Accounts receivable actually written off	229,879,094.46

Significant amount of accounts receivable written off:

In RMB

Company name	Nature of account	Amount written off	Reason for write-off	Write-off procedure performed	Whether or not arising from related-party transactions
Major customers written off	Trade receivable	169,582,771.72	Deregistered	Resolution of the Board of Directors	No
Total		169,582,771.72			

Explanation about the write-off of accounts receivable:

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

In RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and contract assets	% of total closing balance of accounts receivable and contract assets	Closing balance of allowance for doubtful accounts receivable and impairment of contract assets
Top 1	2,671,884,367.80		2,671,884,367.80	33.56%	13,685,881.00
Top 2	588,127,726.29		588,127,726.29	7.39%	3,136,987.97
Top 3	557,988,038.55		557,988,038.55	7.01%	2,789,940.20
Top 4	303,984,961.27		303,984,961.27	3.82%	1,953,388.76
Top 5	247,195,283.79		247,195,283.79	3.11%	2,820,593.61
Total	4,369,180,377.70		4,369,180,377.70	54.89%	24,386,791.54

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

In RMB

Item	Closing balance	Opening balance
Banker's acceptance bills	252,612,009.41	290,477,095.22
Total	252,612,009.41	290,477,095.22

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Incl										

∴										
Allowance recognized collectively	252,612,009.41	100.00%			252,612,009.41	290,477,095.22	100.00%			290,477,095.22
Incl ∴										
Banker's acceptance bills	252,612,009.41	100.00%			252,612,009.41	290,477,095.22	100.00%			290,477,095.22
Total	252,612,009.41	100.00%			252,612,009.41	290,477,095.22	100.00%			290,477,095.22

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

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

In RMB

Item	Amount pledged at the end of the period
Banker's acceptance bills	47,745,743.70
Total	47,745,743.70

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

In RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Banker's acceptance bills	1,021,384,057.48	
Total	1,021,384,057.48	

**(6) Receivable financing actually written off in the current period**

**(7) Increase/decrease in receivable financing and change in fair value in the current period**

**(8) Other information**

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

**8. Other receivables**

In RMB

Item	Closing balance	Opening balance
Other receivables	45,836,662.39	77,134,897.39
Total	45,836,662.39	77,134,897.39

**(1) Interest receivable****(2) Dividends receivable****(3) Other receivables****1) Other receivables by nature**

In RMB

Nature of accounts	Closing book balance	Opening book balance
Loan and reserve fund	6,147,448.39	3,008,693.20
Security deposit	34,357,968.88	24,179,943.43
Temporary payment receivable and others	21,095,827.83	63,320,215.31
Total	61,601,245.10	90,508,851.94

**2) Other receivables by age**

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	27,206,070.82	71,736,165.38
1-2 years	18,570,040.87	8,616,817.34
2-3 years	6,555,716.67	2,464,429.36
Over 3 years	9,269,416.74	7,691,439.86
3-4 years	2,020,570.56	3,078,691.14
4-5 years	2,933,721.60	1,718,689.00
Over 5 years	4,315,124.58	2,894,059.72
Total	61,601,245.10	90,508,851.94

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Allowance recognized individually	2,340,704.91	3.80%	2,340,704.91	100.00%		2,340,704.91	2.59%	2,340,704.91	100.00%	
Incl										

∴										
Allowance recognized collectively	59,260,540.19	96.20%	13,423,877.80	22.65%	45,836,662.39	88,168,147.03	97.41%	11,033,249.64	12.51%	77,134,897.39
Incl. ∴										
Total	61,601,245.10	100.00%	15,764,582.71	25.59%	45,836,662.39	90,508,851.94	100.00%	13,373,954.55	14.78%	77,134,897.39

Allowance for doubtful accounts recognized collectively: Age

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Incl.: Within 1 year	27,206,070.82	1,360,303.54	5.00%
1-2 years	18,570,040.87	1,857,004.09	10.00%
2-3 years	6,555,716.67	3,277,858.34	50.00%
Over 3 years	6,928,711.83	6,928,711.83	100.00%
Total	59,260,540.19	13,423,877.80	

Basis for grouping:

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

In RMB

Allowance for doubtful accounts	Stage I	Stage II	Stage III	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Balance as at January 1, 2024	3,586,808.28	861,681.73	8,925,464.54	13,373,954.55
In the current period, the balance as at January 1, 2024				
- Transferred to stage II	-925,143.88	925,143.88		
- Transferred to stage III		-564,353.53	564,353.53	
Recognized	-1,165,321.41	634,532.01	3,379,195.00	2,848,405.60
Written off			321,737.99	321,737.99
Other changes	-136,039.45			-136,039.45
Balance as at December 31, 2024	1,360,303.54	1,857,004.09	12,547,275.08	15,764,582.71

Significant changes in the book balance of allowance for doubtful accounts in the current period:

☐ Applicable ☒ N/A

**4) Allowance for doubtful accounts recognized, recovered or reversed in the current period****5) Other receivables actually written off in the current period****6) Top 5 debtors in terms of closing balance of other receivables**

In RMB

Company name	Nature of account	Closing balance	Age	% of total closing balance of other receivables	Closing balance of allowance for doubtful accounts
Top 1	Temporary payment receivable and others	9,860,000.00	1-2 years	16.01%	986,000.00
Top 2	Temporary payment receivable and others	7,890,685.11	Within 1 year	12.81%	397,521.24
Top 3	Security deposit	4,252,000.00	Within 1 year	6.90%	212,600.00
Top 4	Security deposit	2,340,704.91	Over 3 years	3.80%	2,340,704.91
Top 5	Temporary payment receivable and others	2,000,000.00	1-2 years	3.25%	200,000.00
Total		26,343,390.02		42.77%	4,136,826.15

**7) Reported as other receivables due to centralized fund management**

Other information:

Basis for the classification of various stages: within 1 year indicates no obvious additional credit risk after initial recognition (stage I), for which the impairment is made at 5%; 1-2 years indicate obvious additional credit risk after initial recognition but no occurrence of credit impairment (stage II), for which the impairment is made at 10%; and over 2 years and provision made individually indicate the occurrence of credit impairment (stage III)

**9. Advances to suppliers****(1) Advances to suppliers by age**

In RMB

Age	Closing balance		Opening balance	
	Amount	%	Amount	%
Within 1 year	88,459,876.91	94.23%	72,605,597.90	91.00%
1-2 years	1,897,007.20	2.02%	5,581,589.38	7.00%
2-3 years	1,923,162.05	2.05%	21,100.35	0.03%
Over 3 years	1,595,419.53	1.70%	1,574,451.48	1.97%
Total	93,875,465.69		79,782,739.11	

Reason of failure to timely settle the significant advances to suppliers aged more than one year: There is no significant advances to suppliers aged more than one year as of the end of the current period.

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

Company name	Book balance (RMB)	% of the total balance of advances
Top 1	8,673,380.02	9.24
Top 2	6,724,170.60	7.16
Top 3	4,176,098.86	4.45
Top 4	4,156,262.32	4.43



Top 5	3,968,100.01	4.23
Subtotal	27,698,011.81	29.51

## 10. Inventories

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

No

### (1) Categories of inventories

In RMB

Item	Closing balance			Opening balance		
	Book balance	Inventory provision or allowance for impairment of contract fulfilling costs	Carrying value	Book balance	Inventory provision or allowance for impairment of contract fulfilling costs	Carrying value
Raw materials	1,654,514,762.22	177,951,960.02	1,476,562,802.20	1,137,854,380.40	144,036,638.90	993,817,741.50
Work in progress	1,003,084,859.72	82,988,158.81	920,096,700.91	891,174,574.36	125,226,289.12	765,948,285.24
Goods on hand	4,503,260,856.05	749,742,579.85	3,753,518,276.20	4,974,174,253.58	449,989,021.71	4,524,185,231.87
Circulating materials	2,516,343.42	38,514.88	2,477,828.54	9,966,532.81	38,514.88	9,928,017.93
Total	7,163,376,821.41	1,010,721,213.56	6,152,655,607.85	7,013,169,741.15	719,290,464.61	6,293,879,276.54

### (2) Data resources recognized as inventories

In RMB

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

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

In RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Recognized	Others	Reversed or written off	Others	
Raw materials	144,036,638.90	86,488,814.64	165,866.59	52,739,360.11		177,951,960.02
Work in progress	125,226,289.12	-22,043,303.42	43,886.98	20,238,713.87		82,988,158.81
Goods on hand	449,989,021.71	390,214,279.49	2,271,347.19	92,732,068.54		749,742,579.85

Circulating materials	38,514.88					38,514.88
Total	719,290,464.61	454,659,790.71	2,481,100.76	165,710,142.52		1,010,721,213.56

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

# 11. Assets held for sale

# 12. Non-current assets due within one year

# 13. Other current assets

In RMB

Item	Closing balance	Opening balance
Cost of returned goods receivable	28,122,898.55	29,832,976.30
Deductible input tax	743,118,926.80	340,312,673.44
Prepaid enterprise income tax	56,072,964.14	35,892,887.21
Deferred expenses and others	382,527,494.50	245,681,208.73
Total	1,209,842,283.99	651,719,745.68

# 14. Debt investments

# 15. Other debt investments

# 16. Investment in other equity instruments

In RMB

Item	Closing balance	Opening balance	Income recognized in other comprehensive income in the current period	Loss recognized in other comprehensive income in the current period	Aggregate income recognized in other comprehensive income at the end of the current period	Aggregate loss recognized in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reason for designation as at fair value through other comprehensive income
Jiangsu Bohua Equity Investment Partnership (L.P.)	200,000,000.00	150,000,000.00						
Hai Dixin Semiconductor (Nantong) Co., Ltd.	21,322,110.00	21,322,110.00						
Kunshan Hostar Intelligence Technology Co., Ltd.	28,800,000.00	28,800,000.00						
Dyness Digital Energy Technology Co., Ltd.	50,000,000.00	50,000,000.00						
Shinwu Optronics (Suzhou) Co., Ltd.	22,035,000.00	22,035,000.00						
Jinan Moviebook Co., Ltd.	10,000,000.00	6,000,000.00						
Shenzhen Ruoyu Technology Co., Ltd.	1,500,000.00							
Total	333,657,110.00	278,157,110.00						

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

(2) Jiangsu Bohua Equity Investment Partnership (L.P.) was established on September 27, 2021, with a registered capital of RMB3.3 billion, and is primarily engaged in equity investment, venture capital investment, etc. In consideration that this investment will bring a good return to the Company and provide the Company with opportunities to invest in premium fields and

assets, and is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income.

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

(4) Dyness Digital Energy Technology Co., Ltd. was established on August 17, 2017, with a registered capital of RMB112,023,809, in which the Company holds 1.4716% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in March 2023.

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

(6) Jinan Moviebook Co., Ltd. was established on September 6, 2019, with a registered capital of RMB10,100,000, in which the Company holds 0.32862% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in October 2023.

(7) Shenzhen Ruoyu Technology Co., Ltd. was established on April 13, 2023, with a registered capital of RMB5,229,301, in which the Company holds 0.7994% shares. In consideration that the shares held by the Company in it will help the Company improve its business competencies and the investment is not held for trading, the Company designated this investment as a financial asset at fair value through other comprehensive income in January 2024.

## 17. Long-term receivables

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

In RMB

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

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Allowance recognized individually						10,703,905.76	100.00%	10,703,905.76	100.00%	
Incl.:										
Incl.:										
Total						10,703,905.76	100.00%	10,703,905.76	100.00%	

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

In RMB

Type	Opening balance	Changes in the current period				Closing balance
		Recognized	Recovered or reversed	Transferred or written off	Others	
Allowance recognized individually	10,703,905.76			10,703,905.76		
Total	10,703,905.76			10,703,905.76		

**(4) Long-term receivables actually written off in the current period**

In RMB

Item	Amount written off
Long-term receivables actually written off	10,703,905.76

Significant amount of long-term receivables written off:

In RMB

Company name	Nature of accounts	Amount written off	Reason for write-off	Write-off procedure performed	Whether or not arising from related-party transactions
POWERWAVE	Long-term receivable	10,703,905.76	Non-recoverable	Resolution of the Board of Directors	No
Total		10,703,905.76			

**18. Long-term equity investments**

In RMB

Investee	Opening balance (carrying value)	Opening balance of allowance	Changes in the current period								Closing balance (carrying value)	Closing balance of allowance for
			Additi onal invest ment	Reduc ed invest ment	Invest ment income or loss	Adjustm ent to other compreh	Oth er chan ges	Declar ed cash divide	Allow ance for impair	Oth ers		

		ce for impairm ent loss			under equity method	ensive income	in equi ty	nds or profit distrib ution	ment loss			impairm ent loss
I. Joint ventures												
II. Associates												
Suzhou Toprun Electric Equipme nt Co., Ltd.	19,335,0 28.62	51,487, 204.05			142,63 5.84						19,477,6 64.46	51,487, 204.05
Shenzhe n Nanfang Blog Technolo gy Develop ment Co., Ltd.		17,507, 056.47										17,507, 056.47
Shanghai Fu Shan Precision Manufac turing Co., Ltd.												
Suzhou LEGAT E Intellige nt Equipme nt Corp., Ltd.	23,507,1 76.15				- 860,10 8.56						22,647,0 67.59	
Suzhou Dongcan Optoelec tronics Technolo gy Co., Ltd.	3,797,25 8.35				- 480,78 5.86						3,316,47 2.49	
Jiangsu Nangao Intellige nt Equipme nt Innovati on Center Co., Ltd.	4,259,36 9.62				- 816,53 4.46						3,442,83 5.16	
Jiaozuo Songyan g Optoelec tric	26,753,7 81.07				- 2,361,6 89.37						24,392,0 91.70	

Technolo gy Co., Ltd.												
Suzhou Yongxin Jingshan g Venture Capital Partnersh ip (L.P.)	25,915,7 94.06				9,961,3 30.71						35,877,1 24.77	
ISOTEK MICRO WAVE LIMITE D		8,539,4 24.61										8,539,4 24.61
BVF (BVI) Holding L.P.	32,358,8 73.17				- 4,624,5 90.01						27,734,2 83.16	
Shanghai Xinhuaru i Semicon ductor Technolo gy Co., Ltd.	19,479,5 98.85				- 1,358,3 42.50						18,121,2 56.35	
Subtotal	155,406, 879.89	77,533, 685.13			- 398,08 4.21						155,008, 795.68	77,533, 685.13
Total	155,406, 879.89	77,533, 685.13			- 398,08 4.21						155,008, 795.68	77,533, 685.13

## 19. Other non-current financial assets

## 20. Investment properties

### (1) Investment properties at cost

☒ Applicable ☐ N/A

In RMB

Item	Buildings and structures	Land use right	Construction in progress	Total
I. Original value				
1. Opening balance	5,309,132.17			5,309,132.17
2. Increase				
(1) Acquired				
(2) Transferred from inventories/ fixed assets/ construction in progress				
(3) Increased due to business combinations				

3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance	5,309,132.17			5,309,132.17
II. Accumulated depreciation and amortization				
1. Opening balance	4,270,291.91			4,270,291.91
2. Increase	257,711.16			257,711.16
(1) Recognized or amortized	257,711.16			257,711.16
3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance	4,528,003.07			4,528,003.07
III. Allowance for impairment loss				
1. Opening balance				
2. Increase				
(1) Recognized				
3. Decrease				
(1) Disposed				
(2) Other transfer-out				
4. Closing balance				
IV. Carrying value				
1. Closing balance	781,129.10			781,129.10
2. Opening balance	1,038,840.26			1,038,840.26

## 21. Fixed assets

In RMB

Item	Closing balance	Opening balance
Fixed assets	13,595,191,232.40	12,415,251,689.80
Disposal of fixed assets		
Total	13,595,191,232.40	12,415,251,689.80

### (1) Particulars of fixed assets

In RMB

Item	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment and others	Total
I. Original value					
1. Opening balance	5,132,153,184.39	19,797,161,127.14	89,626,022.07	1,015,562,668.44	26,034,503,002.04



2. Increase	982,551,679.03	3,150,555,117.52	19,135,546.69	75,508,330.36	4,227,750,673.60
(1) Acquired		278,060,446.68	6,021,926.53	442,302.73	284,524,675.94
(2) Transferred from construction in progress	985,110,042.67	2,868,192,173.75	13,139,272.00	74,917,996.23	3,941,359,484.65
(3) Increased due to business combinations					
Translation differences arising from translation of foreign currency financial statements	-2,558,363.64	4,302,497.09	-25,651.84	148,031.40	1,866,513.01
3. Decrease	143,493,613.98	1,323,964,668.35	9,610,848.92	92,777,232.13	1,569,846,363.38
(1) Disposed or retired	143,493,613.98	1,323,964,668.35	9,610,848.92	92,777,232.13	1,569,846,363.38
4. Closing balance	5,971,211,249.44	21,623,751,576.31	99,150,719.84	998,293,766.67	28,692,407,312.26
II. Accumulated depreciation					
1. Opening balance	2,220,275,673.46	10,602,887,524.16	62,223,497.82	716,522,202.74	13,601,908,898.18
2. Increase	228,254,183.45	1,834,390,269.90	7,237,777.12	55,257,768.31	2,125,139,998.78
(1) Recognized	228,400,199.04	1,833,540,812.83	7,268,879.85	55,132,744.49	2,124,342,636.21
Translation differences arising from translation of foreign currency financial statements	-146,015.59	849,457.07	-31,102.73	125,023.82	797,362.57
3. Decrease	42,146,214.79	969,905,237.06	8,131,582.09	18,081,008.42	1,038,264,042.36
(1) Disposed or retired	42,146,214.79	969,905,237.06	8,131,582.09	18,081,008.42	1,038,264,042.36
4. Closing balance	2,406,383,642.12	11,467,372,557.00	61,329,692.85	753,698,962.63	14,688,784,854.60
III. Allowance for impairment loss					
1. Opening balance	4,570,236.72	12,078,207.03		693,970.31	17,342,414.06
2. Increase		394,266,841.50		173,943.07	394,440,784.57
(1) Recognized		394,266,841.50		173,943.07	394,440,784.57
3. Decrease		3,350,795.57		1,177.80	3,351,973.37
(1) Disposed or retired		3,350,795.57		1,177.80	3,351,973.37
4. Closing balance	4,570,236.72	402,994,252.96		866,735.58	408,431,225.26
IV. Carrying value					
1. Closing balance	3,560,257,370.60	9,753,384,766.35	37,821,026.99	243,728,068.46	13,595,191,232.40
2. Opening balance	2,907,307,274.21	9,182,195,395.95	27,402,524.25	298,346,495.39	12,415,251,689.80

**(2) Temporary idle fixed assets**

In RMB

Item	Original value	Accumulated depreciation	Allowance for impairment loss	Carrying value	Remark
Machinery and equipment	329,895,845.24	139,627,740.37	49,592,898.23	140,675,206.64	
Subtotal	329,895,845.24	139,627,740.37	49,592,898.23	140,675,206.64	

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

In RMB

Item	Carrying value	Reason for not obtaining the property title certificate
Factory buildings of Multek	31,717,216.44	Pending review

**(5) Impairment assessment of fixed assets**☒ Applicable ☐ N/A

Recoverable amount determined based on fair value net of disposal cost:

☒ Applicable ☐ N/A

In RMB

Item	Carrying value	Recoverable amount	Impairment loss	Method for determining fair value and disposal expenses	Key parameters	Basis for determining key parameters
Machinery and equipment	1,911,350,990.05	1,517,257,511.80	394,093,478.25	The fair value is determined at cost, while the disposal costs mainly include direct expenses incurred during the disposal such as auction expenses, stamp duties, etc.	Reset cost and comprehensive residue ratio	
Total	1,911,350,990.05	1,517,257,511.80	394,093,478.25			

**22. Construction in progress**

In RMB

Item	Closing balance	Opening balance
Construction in progress	2,575,154,318.35	1,842,525,188.54
Total	2,575,154,318.35	1,842,525,188.54

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

In RMB

Item	Closing balance	Opening balance
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	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Multek 5G high-speed high-frequency and high-density PCB technology upgrading project				20,138,126.54		20,138,126.54
FPC for new energy application and assembly project of MFLEX Yancheng				15,994,322.82		15,994,322.82
Infrastructure construction of the factory for Multi-layer Circuit Board Co., Ltd.	1,228,168,131.58		1,228,168,131.58			
IC substrate project of Chaowei Microelectronics (Yancheng) Co., Ltd.	10,009,858.49		10,009,858.49	75,645,464.25		75,645,464.25
Large-sized die-casting project of Yancheng Dongchuang	178,439,112.27		178,439,112.27	658,090,750.03		658,090,750.03
Kunshan new energy manufacturing base-related project	395,279,797.72		395,279,797.72	425,232,448.52		425,232,448.52
Mexico new energy manufacturing base-related project	7,184,449.96		7,184,449.96	999,896.91		999,896.91
MFLEX Yancheng Phase II project	125,744,191.31		125,744,191.31	35,619,454.33		35,619,454.33
MFLEX Suzhou Guoxiang Phase II and other production expansion projects	160,977,750.57		160,977,750.57	82,215,960.20		82,215,960.20
LCM business unit				46,535,180.88		46,535,180.88
Installation equipment in progress and others	469,351,026.45		469,351,026.45	482,053,584.06		482,053,584.06
Total	2,575,154,318.35		2,575,154,318.35	1,842,525,188.54		1,842,525,188.54

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

In RMB

Item	Budget (100 million RMB)	Openi ng balanc e	Increas e in the current period	Amou nt transfe rred to fixed	Other decrea ses	Closin g balanc e	% of project costs to the budget	Progre ss	Aggre gate amoun t of capital	Incl.: Capital ized interes t this	Rate of interes t capital ization	Source of funds
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				assets					ized interes t	year	this year	
Infrastruct ure constructio n of the factory for Multi-layer Circuit Board Co., Ltd.	18.75	46,873 ,232.0 4	1,174, 502,90 6.05	675,95 6.67		1,220, 700,18 1.42	65.14 %	65.14 %	341,30 1.42	341,30 1.42	0.20%	Others
Kunshan new energy manufactur ing base project	18.00	425,23 2,448. 52	840,55 1,857. 21	839,10 5,799. 35	31,398 ,708.6 6	395,27 9,797. 72	77.42 %	77.42 %	7,229, 036.37	7,229, 036.37	2.75%	Others
Large- sized die- casting project of Yancheng Dongchuan g	15.00	658,09 0,750. 03	348,82 4,965. 84	764,53 7,517. 59	63,939 ,086.0 1	178,43 9,112. 27	94.26 %	94.26 %	16,437 ,368.0 2	16,437 ,368.0 2	2.90%	Others
Total	51.75	1,130, 196,43 0.59	2,363, 879,72 9.10	1,604, 319,27 3.61	95,337 ,794.6 7	1,794, 419,09 1.41			24,007 ,705.8 1	24,007 ,705.8 1		

### 23. Productive biological assets

### 24. Oil and gas assets

### 25. Right-of-use assets

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

In RMB

Item	Buildings and structures	Machinery and equipment	Transportation equipment	Land	Total
I. Original value					
1. Opening balance	1,413,525,626.05	30,676,878.28	345,470.00	93,200,186.63	1,537,748,160.96
2. Increase	134,773,113.94				134,773,113.94
(1) Leased	133,079,979.12				133,079,979.12
(2) Translation differences arising from translation of foreign currency financial statements	1,693,134.82				1,693,134.82
3. Decrease	34,922,072.55		345,470.00		35,267,542.55
(1) Disposed	34,922,072.55		345,470.00		35,267,542.55
4. Closing	1,513,376,667.44	30,676,878.28		93,200,186.63	1,637,253,732.35

balance					
II. Accumulated depreciation					
1. Opening balance	276,837,664.69	971,434.50	269,898.56	7,001,112.38	285,080,110.13
2. Increase	70,163,828.44	1,942,869.00	75,571.44	1,482,596.76	73,664,865.64
(1) Recognized	69,995,738.20	1,942,869.00	75,571.44	1,482,596.76	73,496,775.40
(2) Translation differences arising from translation of foreign currency financial statements	168,090.24				168,090.24
3. Decrease	34,922,072.55		345,470.00		35,267,542.55
(1) Disposed	34,922,072.55		345,470.00		35,267,542.55
4. Closing balance	312,079,420.58	2,914,303.50		8,483,709.14	323,477,433.22
III. Allowance for impairment loss					
1. Opening balance					
2. Increase					
(1) Recognized					
3. Decrease					
(1) Disposed					
4. Closing balance					
IV. Carrying value					
1. Closing balance	1,201,297,246.86	27,762,574.78		84,716,477.49	1,313,776,299.13
2. Opening balance	1,136,687,961.36	29,705,443.78	75,571.44	86,199,074.25	1,252,668,050.83

## (2) Impairment assessment of right-of-use assets

☐ Applicable ☒ N/A

## 26. Intangible assets

### (1) Particulars of intangible assets

In RMB

Item	Land use right	Patent	Unpatented technology	Software	Trademarks and patents	Development expenses	Customer resources	Total
I. Original value								

1. Opening balance	629,094,58 5.89			362,386,6 08.26	154,718,885. 76	6,733,029. 45	207,803,629. 23	1,360,736,738. 59
2. Increase	161,502,34 9.80			53,452,22 8.61	162,171.45			215,116,749.8 6
(1) Acquired	5,417,329.3 3			49,238,69 7.32	162,171.45			54,818,198.10
(2) Internal R&D								
(3) Increased due to business combinations								
(4) Transferred between categories of assets	148,423,00 0.00							148,423,000.0 0
(5) Transferred from construction in progress				3,863,100 .99				3,863,100.99
(6) Translation differences arising from translation of foreign currency financial statements	7,662,020.4 7			350,430.3 0				8,012,450.77
3. Decrease	14,637,780. 27			3,874,675 .45				18,512,455.72
(1) Disposed	14,637,780. 27			3,874,675 .45				18,512,455.72
4. Closing balance	775,959,15 5.42			411,964,1 61.42	154,881,057. 21	6,733,029. 45	207,803,629. 23	1,557,341,032. 73
II. Accumulated amortization								
1. Opening balance	100,086,78 0.52			271,520,2 37.28	99,655,603.5 9	6,733,029. 45	19,048,666.0 1	497,044,316.8 5
2. Increase	15,199,348. 10			54,573,98 7.61	15,190,353.4 7		20,780,362.9 2	105,744,052.1 0
(1) Recognized	15,199,348. 10			54,182,95 1.46	9,745,246.78		20,780,362.9 2	99,907,909.26
(2) Translation differences arising from				391,036.1 5	5,445,106.69			5,836,142.84

translation of foreign currency financial statements								
3. Decrease	4,896,446.8 3			3,145,022 .73				8,041,469.56
(1) Disposed	4,896,446.8 3			3,145,022 .73				8,041,469.56
4. Closing balance	110,389,68 1.79			322,949,2 02.16	114,845,957. 06	6,733,029. 45	39,829,028.9 3	594,746,899.3 9
III. Allowance for impairment loss								
1. Opening balance								
2. Increase								
(1) Recognized								
3. Decrease								
(1) Disposed								
4. Closing balance								
IV. Carrying value								
1. Closing balance	665,569,47 3.63			89,014,95 9.26	40,035,100.1 5		167,974,600. 30	962,594,133.3 4
2. Opening balance	529,007,80 5.37			90,866,37 0.98	55,063,282.1 7		188,754,963. 22	863,692,421.7 4

**(2) Data resources recognized as intangible assets**

☐ Applicable ☒ N/A

**(3) Land use rights whose property title certificates have not yet been obtained****(4) Impairment test of intangible assets**

☐ Applicable ☒ N/A

## 27. Goodwill

### (1) Original value of goodwill

In RMB

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

### (2) Allowance for impairment of goodwill

In RMB

Investee or event giving rise to goodwill	Opening balance	Increase		Decrease		Closing balance
		Recognized		Disposed		
Mutto Optronics Technology Co., Ltd.	67,475,733.00	48,393,604.30				115,869,337.30
RF Top Electronic Electronic Communication Co., Ltd.	8,868,134.17	36,829,800.00				45,697,934.17
Aranda	4,000,219.86	4,363,876.21				8,364,096.07
Total	80,344,087.03	89,587,280.51				169,931,367.54

Note: The increase in the allowance for impairment of goodwill was primarily due to a goodwill impairment recognized as a result of the reversal of deferred tax liabilities arising from an increase in the appraised value of Aranda acquired by the Company, and the effect of goodwill impairment assessment.

### (3) Information of asset group or combination of asset groups to which the goodwill belongs

Item	Composition of asset group or combination of asset group and basis for grouping	Business segment and basis for classification	Whether or not the same as prior years
MFLEX	All of its assets and liabilities when acquired by the Company	PCB, manufacturing circuit boards	Yes
Multek	All of its assets and liabilities when acquired by the Company	PCB, manufacturing circuit boards	Yes
Mutto Optronics Technology Co., Ltd.	All of its assets and liabilities	Touch panel and LCM, manufacturing touch panels	Yes
RF Top Electronic Electronic Communication Co., Ltd.	All of its assets and liabilities	Precision components, manufacturing ceramic filters	Yes

### (4) Method of determination of recoverable amounts

Recoverable amount determined based on fair value net of disposal cost:

☐ Applicable ☒ N/A



Recoverable amount determined based on the present value of estimated future cash flows:

☒ Applicable ☐ N/A

In RMB

Item	Carrying value	Recoverable amount	Impairment loss	Forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters for the stable period
MFLEX	11,783,481,908.83	16,180,000,000.00		5 years	Revenue growth rate: 0.19%; margin growth rate: 16.62%	Revenue growth rate: 0%; margin growth rate: 16.23%	Pre-tax discount rate of 13.83%, determined based on the weighted average capital cost (wacc) as adjusted
Multek	2,453,541,904.98	2,700,000,000.00		5 years	Revenue growth rate: 2.00%; margin growth rate: 17.78%	Revenue growth rate: 0%; margin growth rate: 17.22%	Pre-tax discount rate of 11.55%, determined based on the weighted average capital cost (wacc) as adjusted
Mutto Optronics Technology Co., Ltd.	395,393,604.30	347,000,000.00	48,393,604.30	5 years	Revenue growth rate: 1.81%; margin growth rate: 7.62%	Revenue growth rate: 0%; margin growth rate: 7.75%	Pre-tax discount rate of 9.49%, determined based on the weighted average capital cost (wacc) as adjusted
RF Top Electronic Electronic Communication Co., Ltd.	357,829,800.00	321,000,000.00	36,829,800.00	5 years	Revenue growth rate: 16.04%; margin growth rate: 15.40%	Revenue growth rate: 0%; margin growth rate: 18.71%	Pre-tax discount rate of 12.50%, determined based on the weighted average capital cost (wacc) as adjusted
Total	14,990,247,218.11	19,548,000,000.00	85,223,404.30				

Note:

1) According to the *Valuation Report* (Canwin Valuation Report [2025] No. 2-24) issued by Canwin Appraisal Co., Ltd., the recoverable amount of the asset group or combination of asset groups including the goodwill for MFLEX was RMB16,180,000,000.00, which was higher than its carrying value of RMB11,783,481,908.83, so the goodwill was not impaired.

2) According to the *Valuation Report* (Canwin Valuation Report [2025] No. 2-26) issued by Canwin Appraisal Co., Ltd., the recoverable amount of the asset group or combination of asset groups including the goodwill for Multek was RMB2,700,000,000.00, which was higher than its carrying value of RMB2,453,541,904.98, so the goodwill was not impaired.

3) According to the *Valuation Report* (Canwin Valuation Report [2025] No. 2-21) issued by Canwin Appraisal Co., Ltd., the recoverable amount of the asset group or combination of asset groups including the goodwill for Mutto Optronics was RMB347,000,000.00, while its carrying value was RMB395,393,604.30, so a goodwill impairment of RMB48,393,604.30 was recognized.

4) According to the *Valuation Report* (Zhongsheng Valuation Report [2025] No. 0083) issued by Zhongsheng Appraisal & Consulting Co., Ltd., the recoverable amount of the asset group or combination of asset groups including the goodwill for RF Top Electronic was RMB321,000,000.00, while its carrying value was RMB357,829,800.00, so a goodwill impairment of RMB36,829,800.00 was recognized.

## (5) The completion of performance commitments and corresponding goodwill impairment

Goodwill was recognized based on performance commitments made during the reporting period or the preceding period of performance commitments.

☐ Applicable ☒ N/A

**28. Long-term deferred expenses**

In RMB

Item	Opening balance	Increase in the current period	Amortization	Other decreases	Closing balance
Decoration costs of fixed assets and others	866,872,191.21	328,053,440.30	261,921,167.74	29,404,749.88	903,599,713.89
Total	866,872,191.21	328,053,440.30	261,921,167.74	29,404,749.88	903,599,713.89

**29. Deferred tax assets/deferred tax liabilities****(1) Deferred tax assets not offset**

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Allowance for impairment of assets	1,324,692,293.90	205,243,454.52	800,118,130.88	128,429,874.02
Deductible losses	2,300,687,978.39	362,521,218.64	2,579,402,663.68	389,544,407.25
Difference in depreciation of fixed assets	56,738,475.07	13,329,567.82	55,181,543.30	13,469,931.13
Lease liabilities	1,425,266,733.21	229,432,313.12	1,872,497,186.10	342,955,848.83
Unrealized gains/losses from inter-company transactions	276,240,960.60	57,088,993.26	255,979,699.52	59,652,829.61
Change in the fair value of financial instruments	9,096,191.75	1,953,655.94	18,683,140.27	3,995,566.48
Deferred income	522,365,262.99	85,669,295.35	660,215,044.53	107,254,395.87
Accrued expenses	698,231,909.28	112,291,672.83	171,599,012.32	32,837,575.19
Total	6,613,319,805.19	1,067,530,171.48	6,413,676,420.60	1,078,140,428.38

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

In RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
One-off deduction of depreciation of fixed assets	2,569,191,598.13	523,588,207.16	1,588,082,312.80	318,338,339.27
Accrued interest income and others	89,930,966.31	19,085,788.45	86,995,017.26	18,917,600.59
Right-of-use assets	1,403,935,934.81	241,292,708.42	1,252,668,050.83	266,830,422.09
Income tax payable due to increase in appraised value	351,178,186.24	79,872,611.80	384,245,651.82	87,206,749.88
Total	4,414,236,685.49	863,839,315.83	3,311,991,032.71	691,293,111.83

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

In RMB

Item	Closing offset amount of deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offset	Opening offset amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets	233,079,559.40	834,450,612.08		1,078,140,428.38
Deferred tax liabilities	233,079,559.40	630,759,756.43		691,293,111.83

**(4) Unrecognized deferred tax assets**

In RMB

Item	Closing balance	Opening balance
Deductible temporary differences	660,868,902.87	1,045,519,017.80
Deductible losses	701,671,666.45	470,774,420.57
Total	1,362,540,569.32	1,516,293,438.37

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

In RMB

Year	Closing balance	Opening balance	Remark
2024		40,403,329.83	
2025	100,804,003.97	100,804,003.97	
2026	39,377,012.01	39,377,012.01	
2027	265,972,000.92	265,972,000.92	
2028	24,218,073.84	24,218,073.84	
2029	271,300,575.71		
Total	701,671,666.45	470,774,420.57	

**30. Other non-current assets**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Deferred income – unrealized gain or loss on sale and leaseback	19,414,150.16		19,414,150.16	26,662,462.41		26,662,462.41
Prepayment for projects and equipment	493,140,601.21		493,140,601.21	906,360,511.93		906,360,511.93
Total	512,554,751.37		512,554,751.37	933,022,974.34		933,022,974.34

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

In RMB

Item	Closing balance	Opening balance
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	Book balance	Carrying value	Type of restriction	Reason of restriction	Book balance	Carrying value	Type of restriction	Reason of restriction
Cash and bank balances	1,828,730,869.92	1,828,730,869.92	Pledge	Security deposit for notes, etc.	1,315,351,783.39	1,315,351,783.39	Pledge	Security deposit for notes, etc.
Notes receivable					130,000,000.00	130,000,000.00	Pledge	Discounted and not mature
Fixed assets	690,336,250.99	190,880,378.32	Mortgage	Security for loans, sales and leaseback	784,051,228.85	418,641,701.59	Mortgage	Security for loans, sales and leaseback
Accounts receivable	90,000,000.00	90,000,000.00	Pledge	Factoring	96,168,092.66	96,168,092.66	Pledge	Factoring
Accounts receivable financing	47,745,743.70	47,745,743.70	Pledge	Pledge of notes	172,685,965.02	172,685,965.02	Pledge	Pledge of notes
Right-of-use assets	1,582,499,405.56	1,258,999,636.74	Mortgage	Finance lease	1,535,413,001.39	1,252,668,050.83	Mortgage	Finance lease
Total	4,239,312,270.17	3,416,356,628.68			4,033,670,071.31	3,385,515,593.49		

## 32. Short-term borrowings

### (1) Short-term borrowings by category

In RMB

Item	Closing balance	Opening balance
Credit loans	3,857,114,689.19	4,376,608,244.06
Discounting and factoring of notes, letters of credit and accounts receivable	953,839,441.50	779,491,972.95
Total	4,810,954,130.69	5,156,100,217.01

## 33. Financial liabilities held for trading

In RMB

Item	Closing balance	Opening balance
Financial liabilities held for trading	82,922,390.17	104,174,076.23
Incl.:		
Derivative financial liabilities	82,922,390.17	104,174,076.23
Incl.:		
Total	82,922,390.17	104,174,076.23

## 34. Derivative financial liabilities

## 35. Notes payable

In RMB

Category	Closing balance	Opening balance
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Commercial acceptance bills	10,677,710.87	52,292,024.62
Banker's acceptance bills	924,903,561.63	856,879,191.31
Total	935,581,272.50	909,171,215.93

### 36. Accounts payable

#### (1) Breakdown of accounts payable

In RMB

Item	Closing balance	Opening balance
Payment for materials	6,934,434,355.01	6,672,185,481.42
Payment for projects and equipment	2,235,670,994.79	1,055,789,013.23
Others	489,163,640.63	311,132,681.87
Total	9,659,268,990.43	8,039,107,176.52

#### (2) Significant accounts payable aged over 1 year or overdue

### 37. Other payables

In RMB

Item	Closing balance	Opening balance
Other payables	94,163,223.90	80,188,628.54
Total	94,163,223.90	80,188,628.54

#### 1) Other payables by nature

In RMB

Item	Closing balance	Opening balance
Temporary receipts payable	54,101,772.81	60,966,287.79
Others	40,061,451.09	19,222,340.75
Total	94,163,223.90	80,188,628.54

### 38. Advances from clients

### 39. Contract liabilities

In RMB

Item	Closing balance	Opening balance
Trade receivable	122,562,435.14	28,982,676.07
Total	122,562,435.14	28,982,676.07

### 40. Employee benefits payable

#### (1) Employee benefits payable

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
I. Short-term benefits	540,263,955.36	4,505,173,939.26	4,466,438,072.97	578,999,821.65
II. Post-employment benefits - defined contribution plans	12,915,025.32	302,056,573.75	299,680,048.62	15,291,550.45
III. Termination benefits		83,037,395.00	79,755,680.08	3,281,714.92
Total	553,178,980.68	4,890,267,908.01	4,845,873,801.67	597,573,087.02

## (2) Short-term employee benefits

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
1. Wages, bonuses, allowances and subsidies	530,225,015.61	4,000,111,870.37	3,963,551,374.67	566,785,511.31
2. Staff welfare		205,496,943.41	205,496,943.41	
3. Social insurance contributions	5,627,610.15	149,537,655.93	147,644,431.53	7,520,834.55
Workers' compensation insurance	434,364.36	13,097,859.19	13,121,454.19	410,769.36
Medical and maternity insurance	5,193,245.79	136,439,796.74	134,522,977.34	7,110,065.19
4. Housing provident fund	2,654,388.88	140,130,802.94	139,947,773.76	2,837,418.06
5. Trade union fund and employee education fund	1,756,940.72	9,896,666.61	9,797,549.60	1,856,057.73
Total	540,263,955.36	4,505,173,939.26	4,466,438,072.97	578,999,821.65

## (3) Defined contribution plans

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
1. Basic pension insurance	12,317,238.58	291,818,622.99	289,474,429.72	14,661,431.85
2. Unemployment insurance	597,786.74	10,237,950.76	10,205,618.90	630,118.60
Total	12,915,025.32	302,056,573.75	299,680,048.62	15,291,550.45

## 41. Taxes payable

In RMB

Item	Closing balance	Opening balance
Value-added tax	20,674,711.21	15,906,070.71
Enterprise income tax	342,390,303.11	425,307,243.33
Individual income tax	9,277,024.93	7,474,547.48
Urban maintenance and construction tax	4,101,006.65	6,227,121.91
Property tax	7,364,518.95	8,141,101.87
Stamp duty	5,657,390.62	6,471,998.78
Education surcharge	1,878,074.57	2,672,083.16
Land use tax	367,722.10	735,915.46
Local education surcharge	1,252,049.72	1,781,388.79
Other taxes	2,809,325.90	858,735.34

Total	395,772,127.76	475,576,206.83
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**42. Liabilities held for trading****43. Non-current liabilities due within one year**

In RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	2,327,145,419.12	2,467,018,914.05
Lease liabilities due within one year	131,841,882.24	29,697,992.30
Total	2,458,987,301.36	2,496,716,906.35

**44. Other current liabilities**

In RMB

Item	Closing balance	Opening balance
Output tax to be recognized	5,190,838.21	6,556,017.38
Total	5,190,838.21	6,556,017.38

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

In RMB

Item	Closing balance	Opening balance
Pledge loans	714,721,945.32	764,600,000.00
Credit loans	4,470,332,834.45	3,741,405,477.65
Mortgage and guaranteed loans	104,133,111.56	200,274,861.11
Total	5,289,187,891.33	4,706,280,338.76

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

In RMB

Item	Closing balance	Opening balance
Lease obligations payable	1,456,822,089.69	2,098,735,814.79
Less: Unrecognized financing costs	-105,303,252.51	-255,936,620.99
Total	1,351,518,837.18	1,842,799,193.80

**48. Long-term payables**

In RMB

Item	Closing balance	Opening balance
Long-term payables	49,434,786.31	296,995,789.48
Total	49,434,786.31	296,995,789.48

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

In RMB

Item	Closing balance	Opening balance
Share purchase price	49,434,786.31	296,995,789.48

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

In RMB

Item	Closing balance	Opening balance	Method of acquisition
Product warranty	30,534,014.56	30,235,945.92	
Provision for sales return	27,724,858.36	30,549,264.52	
Total	58,258,872.92	60,785,210.44	

**51. Deferred income**

In RMB

Item	Opening balance	Increase	Decrease	Closing balance	Method of acquisition
Government grants	733,456,685.17	7,370,100.00	154,892,895.28	585,933,889.89	Government grants
Total	733,456,685.17	7,370,100.00	154,892,895.28	585,933,889.89	--

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

In RMB

	Opening balance	Change (+/-)					Closing balance
		New shares	Bonus shares	Capitalization of capital reserves	Others	Subtotal	
Total shares	1,709,867,327.00				-3,953,617.00	-3,953,617.00	1,705,913,710.00

Other information: In August 2024, the Company deregistered the remaining 3,953,617 shares that were repurchased for the implementation of the ESOP, and correspondingly reduced the Company's treasury shares by RMB75,915,960.84 and reduced the capital reserve by RMB71,962,343.84.

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

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Capital premium (share premium)	7,896,510,906.74	26,238,619.50	71,962,343.84	7,850,787,182.40
Other capital reserve	167,257,502.99	478,369.94	26,238,619.50	141,497,253.43
Total	8,063,768,409.73	26,716,989.44	98,200,963.34	7,992,284,435.83



Other information, including the explanation about increase/decrease in the current period and the reasons of such change:

- 1) In September 2024, the Company vested all the Company's shares held under the implemented ESOP to employees, which lead to the decrease in other capital reserve by RMB26,238,619.50 and the increase in the share premium by RMB26,238,619.50;
- 2) The provision of the share-based payment expenses incurred for the ESOP lead to the increase in other capital reserve by RMB478,369.94;
- 3) For other changes, refer to "Section X – V (53) Share capital" of this Report for details.

## 56. Treasury shares

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Treasury shares	125,906,811.33	25,000,846.30	75,915,960.84	74,991,696.79
Total	125,906,811.33	25,000,846.30	75,915,960.84	74,991,696.79

Other information, including the explanation about increase/decrease in the current period and the reasons of such change:

- 1) The Company held the 6<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors on December 28, 2023, at which the *Proposal Regarding Repurchase of the Company's Shares* (hereinafter referred to as the "Repurchase") was considered and adopted; as of January 15, 2024, the Company has implemented the Repurchase by means of call auction under the dedicated securities account for repurchase, repurchased a total of 1.5888 million shares of the Company with the trading amount of RMB25.00 million.

- 2) Refer to "Section X – V (53) Share capital" of this Report for details.

## 57. Other comprehensive income

In RMB

Item	Opening balance	Amount of the current period						Closing balance
		Amount before tax	Less: Other comprehensive income reclassified to profit or loss	Less: Other comprehensive income reclassified to retained earnings	Less: Income tax expenses	Amount attributable to the parent after tax	Amount attributable to minor interest after tax	
I. Other comprehensive income that cannot be reclassified to profit or loss	- 350,000.00			- 350,000.00		350,000.00	0.00	
Change in fair value of investments in other equity instruments	- 350,000.00			- 350,000.00		350,000.00	0.00	

II. Other comprehensive income that will be reclassified to profit or loss	- 364,664,578.64	28,881,429.78	- 22,478,398.42		3,799,623.64	47,560,204.56		- 317,104,374.08
Reserves for cash flow hedge	- 17,554,493.64	- 5,553,254.06	- 22,478,398.42		3,799,623.64	13,125,520.72		- 4,428,972.92
Differences in translation of foreign currency financial statements	- 347,110,085.00	34,434,683.84				34,434,683.84		- 312,675,401.16
Total other comprehensive income	- 714,664,578.64	28,881,429.78	- 22,478,398.42	- 350,000,000.00	3,799,623.64	397,560,204.56		- 317,104,374.08

## 58. Special reserve

## 59. Surplus reserve

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Statutory surplus reserve	184,866,869.73	47,374,346.81		232,241,216.54
Total	184,866,869.73	47,374,346.81		232,241,216.54

## 60. Retained profits

In RMB

Item	Current period	Previous period
Balance of retained profits at the end of the previous period before adjustment	9,025,095,529.05	7,297,404,445.02
Opening balance of retained profits after adjustment	9,025,095,529.05	7,297,404,445.02
Add: Net profit attributable to owners of the parent	1,085,641,847.89	1,964,525,269.65
Less: Appropriation to statutory surplus reserve	47,374,346.81	49,519,034.63
Dividends payable to the ordinary shareholders	425,319,052.25	187,315,150.99
Transfer of other comprehensive income to retained earnings	350,000,000.00	
Closing balance of retained profits	9,288,043,977.88	9,025,095,529.05

**61. Operating revenue and operating costs**

In RMB

Item	Amount of the current period		Amount of the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	36,479,191,979.20	31,384,152,613.81	33,475,973,831.47	28,425,160,342.65
Other businesses	291,182,368.38	230,856,015.58	175,231,637.33	116,480,700.09
Total	36,770,374,347.58	31,615,008,629.39	33,651,205,468.80	28,541,641,042.74

Whether the lower of the net profit before and after the deduction of non-recurring gain or loss is negative?

☐ Yes ☒ No**62. Taxes and surcharges**

In RMB

Item	Amount of the current period	Amount of the previous period
Urban maintenance and construction tax	61,853,438.98	42,047,978.00
Education surcharge	27,745,541.46	18,986,817.25
Property tax	34,216,080.50	24,366,953.46
Land use tax	2,000,681.61	1,981,401.11
Vehicle and vessel tax	14,547.32	53,430.27
Stamp duty	22,192,921.83	21,991,019.79
Environmental protection tax	523,400.32	807,946.43
Local education surcharge	18,496,251.85	12,733,547.98
Total	167,042,863.87	122,969,094.29

**63. Administrative expenses**

In RMB

Item	Amount of the current period	Amount of the previous period
Employee benefits	588,115,074.18	467,679,720.20
Depreciation and amortization	170,661,772.04	156,374,496.81
Consulting service fees	82,023,901.91	82,075,606.89
Office expenses	54,385,756.29	51,393,464.05
Business entertainment expenses	72,233,699.76	72,376,322.16
Travel expenses	19,968,826.98	21,691,454.80
Rents	4,960,539.80	3,992,796.13
Repair costs	32,327,485.58	30,527,647.62
Taxes	1,950,672.98	999,118.09
Others	85,774,355.92	70,213,292.11
Total	1,112,402,085.44	957,323,918.86

**64. Selling expenses**

In RMB

Item	Amount of the current period	Amount of the previous period
Employee benefits	237,488,594.13	203,487,546.56
Sales service fees	109,217,184.46	63,214,240.46
Export charges	18,461,845.70	17,420,576.66

Travel expenses	14,252,966.99	11,187,985.21
Business entertainment expenses	29,394,436.20	24,420,099.35
Others	45,202,759.73	42,363,653.52
Total	454,017,787.21	362,094,101.76

## 65. R&D expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Direct costs	548,167,661.46	476,990,832.66
Labor costs	510,711,948.15	499,166,662.04
Depreciation and amortization	98,435,864.38	86,545,177.50
Others	109,497,070.24	98,487,602.28
Total	1,266,812,544.23	1,161,190,274.48

## 66. Financial expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Interest expenses	368,551,945.48	370,433,774.62
Interest on leases and financing service fees	69,674,382.08	93,255,168.88
Less: Interest income	-243,071,834.40	-225,593,949.55
Add: Exchange loss	-286,978,985.40	-93,398,783.31
Bank charges and others	33,088,044.64	44,435,526.05
Total	-58,736,447.60	189,131,736.69

## 67. Other income

In RMB

Sources of other income	Amount of the current period	Amount of the previous period
Government grants related to assets	154,892,895.28	145,882,723.14
Government grants related to income	328,831,954.86	102,195,944.89
Additional deduction of VAT	32,688,476.14	
Refund upon payment of VAT	5,861,818.16	
Refund of individual income tax withholding service fees	980,688.11	1,803,288.48
Total	523,255,832.55	249,881,956.51

## 68. Net exposure hedging income

## 69. Gain on changes in fair value

In RMB

Source of gain on changes in fair value	Amount of the current period	Amount of the previous period
Financial assets held for trading	-17,898,094.22	-9,740,779.67
Total	-17,898,094.22	-9,740,779.67

## 70. Investment income

In RMB

Item	Amount of the current period	Amount of the previous period
Income from long-term equity investments under the equity method	-398,084.25	-10,820,910.91
Investment income from the disposal of long-term equity investments	-25,868,191.04	
Investment income from financial assets held for trading during the holding period	665,778.00	6,960,501.71
Investment income from the disposal of financial assets held for trading	9,630,935.56	17,064,250.96
Discount loss on accounts receivable financing	-6,065,210.89	-9,045,317.41
Total	-22,034,772.62	4,158,524.35

## 71. Credit impairment loss

In RMB

Item	Amount of the current period	Amount of the previous period
Loss from doubtful accounts	-44,109,673.59	-39,436,689.63
Total	-44,109,673.59	-39,436,689.63

## 72. Impairment loss on assets

In RMB

Item	Amount of the current period	Amount of the previous period
I. Impairment of inventories and contract fulfilling costs	-454,659,790.71	-397,214,961.29
II. Impairment of long-term equity investments		-9,319,087.50
IV. Impairment of fixed assets	-394,440,784.57	
X. Impairment of goodwill	-89,587,280.51	-33,242,820.58
XII. Others		1,100,106.59
Total	-938,687,855.79	-438,676,762.78

## 73. Gain on disposal of assets

In RMB

Source of gain on disposal of assets	Amount of the current period	Amount of the previous period
Gain on disposal of fixed assets	-234,749,852.86	-18,240,640.06
Total	-234,749,852.86	-18,240,640.06

## 74. Non-operating revenue

In RMB

Item	Amount of the current period	Amount of the previous period	Amount recognized in non-recurring gain or loss
Penalties	4,306,009.83	3,153,492.52	4,306,009.83
Amounts that cannot be paid	4,141,160.34	2,085,714.60	4,141,160.34

Investment income		134,812,863.84	
Others	813,226.46	1,426,664.84	813,226.46
Total	9,260,396.63	141,478,735.80	9,260,396.63

## 75. Non-operating expenses

In RMB

Item	Amount of the current period	Amount of the previous period	Amount recognized in non-recurring gain or loss
Donations	7,186,576.91	3,522,368.13	7,186,576.91
Loss on destruction and retirement of non-current assets	8,343,315.44	8,127,234.15	8,343,315.44
Penalties, overdue fines and liquidated damages	5,451,363.41	605,672.00	5,451,363.41
Others	169,773.26	2,936,415.30	169,773.26
Total	21,151,029.02	15,191,689.58	21,151,029.02

## 76. Income tax expenses

### (1) Statement of income tax expenses

In RMB

Item	Amount of the current period	Amount of the previous period
Income tax expense	201,638,862.70	566,656,749.91
Deferred income tax expenses	181,012,059.37	-340,618,962.41
Total	382,650,922.07	226,037,787.50

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

In RMB

Item	Amount of the current period
Total profit	1,467,711,836.12
Income tax expenses calculated based on statutory/applicable tax rate	220,156,775.42
Effect of different tax rates applicable to subsidiaries	-24,573,491.60
Effect of adjustment of income taxes for prior years	2,326,647.84
Effect of non-taxable incomes	-11,968,090.81
Effect of non-deductible costs, expenses and losses	22,275,718.28
Effect of using the deductible losses for which the deferred income tax assets were not recognized in previous periods	-1,188,613.37
Effect of deductible temporary differences or deductible losses not recognized for deferred tax assets for the current period	232,245,679.62
Effect of super deduction of R&D expenses	-56,623,703.31
Income tax expenses	382,650,922.07

## 77. Other comprehensive income

Refer to “Section X Financial Report - VII (54)” of this report for details.

## 78. Items of the cash flow statement

### (1) Cash flows related to operating activities

Other cash receipts related to operating activities:

In RMB

Item	Amount of the current period	Amount of the previous period
Security deposit for acceptance bills	447,811,795.42	619,568,010.65
Government grants	336,202,054.86	200,684,445.55
Interest income	243,071,834.40	210,139,325.51
Temporary receipts payable and others	53,123,286.94	34,254,072.08
Total	1,080,208,971.62	1,064,645,853.79

Other cash payments related to operating activities

In RMB

Item	Amount of the current period	Amount of the previous period
Payment of period expenses in cash	806,013,008.87	589,898,141.45
Security deposit for acceptance bills	368,078,334.92	447,811,795.42
Bank charges	33,088,044.64	44,435,526.05
Temporary payment receivable and others	16,699,230.27	1,748,926.64
Total	1,223,878,618.70	1,083,894,389.56

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

Other cash receipts related to investing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Recovery of term deposits	690,180,814.95	439,820,656.38
Reversal of security deposit for investments	230,197,429.36	
Total	920,378,244.31	439,820,656.38

Other cash payments related to investing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Term deposits	1,325,308,422.77	682,400,228.05
Payment of remaining acquisition amount	109,158,061.37	
Future security deposit	4,274,055.74	
Security deposit for the acquisition		226,168,789.48
Total	1,438,740,539.88	908,569,017.53

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

Other cash receipts related to financing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Security deposits	177,359,173.02	599,543,791.66

Proceeds from discounts on acceptance bills and letters of credit	836,298,582.66	729,491,972.95
Total	1,013,657,755.68	1,329,035,764.61

Other cash payments related to financing activities

In RMB

Item	Amount of the current period	Amount of the previous period
Security deposits	131,070,056.49	261,577,385.74
Payment of rents	644,317,313.92	183,001,957.26
Expenditures for repurchase of shares	25,000,846.30	
Payments under bill financing	729,491,972.95	1,297,119,441.20
Total	1,529,880,189.66	1,741,698,784.20

Changes in liabilities arising from financing activities

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period		Decrease of the current period		Closing balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Short-term borrowings	5,156,100,217.01	6,558,850,828.85	244,289,723.08	7,148,286,638.25		4,810,954,130.69
Long-term borrowings (including long-term borrowings due within one year)	7,173,299,252.81	3,569,770,682.39	124,617,555.13	3,251,354,179.88		7,616,333,310.45
Lease liabilities (including lease liabilities due with one year)	1,872,497,186.10		255,180,847.24	644,317,313.92		1,483,360,719.42
Dividends payable			425,319,052.25	425,319,052.25		
Total	14,201,896,655.92	10,128,621,511.24	1,049,407,177.70	11,469,277,184.30		13,910,648,160.56

#### (4) Explanation about cash flows presented on a net basis

#### (5) Significant activities that do not involve receipts and payments of cash in the current period, but affect the financial position of the enterprise or may affect cash flows of the enterprise in the future, and financial effects thereof

Amount of endorsed transfer for commercial bill not involving receipts and payments of cash

Item	Current period	The same period of the previous year
Amount of the commercial bill transferred by endorsement	1,923,542,351.47	2,313,979,493.40
Incl.: Payment for goods	1,658,479,539.00	2,313,979,493.40



Item	Current period	The same period of the previous year
Payment for acquisition of long-term assets such as fixed assets	265,062,812.47	

## 79. Supplementary information to the cash flow statement

### (1) Supplementary information to the cash flow statement

In RMB		
Supplementary information	Amount of the current period	Amount of the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	1,085,060,914.05	1,965,050,167.42
Add: Allowance for impairment of assets	982,797,529.38	478,113,452.41
Depreciation of fixed assets, oil and gas assets, and productive biological assets	2,124,600,347.37	1,828,511,050.11
Depreciation of right-of-use assets	73,496,775.40	76,014,470.01
Amortization of intangible assets	99,907,909.26	84,791,757.14
Amortization of long-term deferred expenses	261,921,167.74	254,140,804.53
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed with “-”)	234,749,852.86	18,240,640.06
Loss on retirement of fixed assets (gain expressed with “-”)	8,343,315.44	8,127,234.15
Loss on changes in fair value (gain expressed with “-”)	17,898,094.22	9,740,779.67
Financial expenses (income expressed with “-”)	151,247,342.16	356,010,007.62
Investment loss (income expressed with “-”)	15,969,561.73	-13,203,841.76
Decrease in deferred tax assets (increase expressed with “-”)	240,525,211.30	-197,907,382.28
Increase in deferred tax liabilities (decrease expressed with “-”)	-59,513,151.93	-7,551,164.41
Decrease in inventories (increase expressed with “-”)	-463,400,406.42	-528,190,428.16
Decrease in trade receivables (increase expressed with “-”)	-445,997,039.57	268,250,724.76
Increase in trade payables (decrease expressed with “-”)	657,933,275.42	698,298,848.99
Others	477,990.07	-126,017,650.06
Net cash flows from operating activities	4,986,018,688.48	5,172,419,470.20
2. Significant investing and financing activities not involving cash receipts and payments		
Debt-to-capital swap		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	5,343,600,382.37	5,644,487,018.31
Less: Opening balance of cash	5,644,487,018.31	5,457,026,822.70
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-300,886,635.94	187,460,195.61

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

In RMB

Item	Closing balance	Opening balance
I. Cash	5,343,600,382.37	5,644,487,018.31
Incl.: Cash on hand	266,540.67	559,941.39
Bank deposits immediately available for withdrawal	5,343,333,841.70	5,643,927,076.92
III. Closing balance of cash and cash equivalents	5,343,600,382.37	5,644,487,018.31

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

In RMB

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

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

In RMB

Item	Amount of the current period	Amount of the previous period	Reason for not classified as cash and cash equivalents
Term deposits and interest	1,325,308,422.77	690,180,814.95	
Security deposit for bills	368,078,334.92	497,103,353.58	
Security deposit for the acquisition		230,197,429.36	
Security deposit for letters of credit	39,986,159.48	73,225,915.43	
Security deposit for letters of guarantee	91,083,897.01	54,841,699.43	
Future security deposit etc.	4,274,055.74		
Total	1,828,730,869.92	1,545,549,212.75	

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

In RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			4,406,269,487.86
Incl.: USD	601,514,288.13	7.1884	4,323,925,308.79
EUR	1,084,289.43	7.5257	8,160,036.96
HKD	724,256.11	0.9260	670,661.16

KRW	72,159,114.00	0.0049	353,579.66
SGD	1,133,726.09	5.3214	6,033,010.02
NTD	384,565.00	0.2200	84,604.30
JPY	6,966,677.08	0.0462	321,860.48
MXN	9,023,218.90	0.3498	3,156,321.97
THB	298,984,499.13	0.2126	63,564,104.52
Accounts receivable			5,548,008,055.75
Incl.: USD	771,385,179.54	7.1884	5,545,025,224.61
EUR	396,352.65	7.5257	2,982,831.14
HKD			
Long-term borrowings			15,814,480.00
Incl.: USD	2,200,000.00	7.1884	15,814,480.00
EUR			
HKD			
Other receivables			23,793,773.48
Incl.: USD	2,367,278.21	7.1884	17,016,942.68
NTD	13,000.00	0.2200	2,860.00
MXN	4,287,863.66	0.3498	1,499,894.71
THB	24,807,507.46	0.2126	5,274,076.09
Short-term borrowings			280,379,090.39
Incl.: USD	10,907,725.00	7.1884	78,409,090.39
THB	950,000,000.00	0.2126	201,970,000.00
Accounts payable			3,260,100,645.69
Incl.: USD	406,115,597.82	7.1884	2,919,321,363.37
EUR	497,257.87	7.5257	3,742,213.55
JPY	575,445,740.00	0.0462	26,585,593.19
SEK	2,650.00	0.6565	1,739.73
THB	1,456,000,078.79	0.2126	309,545,616.75
MXN	2,584,674.38	0.3498	904,119.10
Other payables			24,116,073.33
Incl.: USD	3,017,025.97	7.1884	21,687,589.48
JPY	657,892.00	0.0462	30,394.61
MXN	158,841.34	0.3498	55,562.70
THB	11,018,469.15	0.2126	2,342,526.54
Accounts receivable			275,258,421.72
Incl.: USD	37,998,717.27	7.1884	273,149,979.22
SGD	396,219.51	5.3214	2,108,442.50

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

☒ Applicable ☐ N/A

Explanation about significant overseas operating entities

Subsidiary	Principal place of business	Functional currency	Basic of selection
DSBJ PTE. Ltd.	Singapore	USD	Main trading currency

## 82. Leases

### (1) The Company as the lessee

☒ Applicable ☐ N/A

Variable lease payments not included in lease liabilities

☐ Applicable ☒ N/A

Lease expenses under short-term leases and leases of low-value assets using the simplified approach

☐ Applicable ☒ N/A

Sale and leaseback transactions

1) For the information about right-of-use assets, refer to the description in “Section X – VII(25)” of this Report for details.

2) For the Company’s accounting policies on short-term leases and leases of low-value assets, refer to the description in “Section X – V(41)” of this Report for details. The amounts of short-term lease expenses and lease expenses of low-value assets recognized in the profit or loss of the current period are as follows:

Item	Current period	The same period of the previous year
Short-term lease expenses	8,044,946.05	18,684,088.03
Total	8,044,946.05	18,684,088.03

3) Profit/loss and cash flow related to leases in the current period

Item	Current period	The same period of the previous year
Interest expense on lease liabilities	69,674,382.08	93,255,168.88
Total cash outflow for leases	652,362,259.97	201,686,045.29

4) For the analysis of maturity of lease liabilities and the corresponding liquidity risk management, refer to the description in “Section X Financial Report – XII” of this Report for details.

### (2) The Company as the lessor

The Company as lessor under operating leases

☒ Applicable ☐ N/A

In RMB

Item	Rental income	Incl.: Income related to variable lease payments not included in lease receipts
Rental income	646,879.81	
Total	646,879.81	

The Company as lessor under finance leases

☐ Applicable ☒ N/A

Annual undiscounted lease receipts in the following five years

☒ Applicable ☐ N/A

In RMB

Item	Annual undiscounted lease receipts	
	Closing balance	Opening balance
Year 1	82,450.00	122,850.00

**83. Data resources****84. Others****VIII. Research and Development Expenses**

In RMB

Item	Amount of the current period	Amount of the previous period
Direct costs	548,167,661.46	476,990,832.66
Labor costs	510,711,948.15	499,166,662.04
Depreciation	98,435,864.38	86,545,177.50
Others	109,497,070.24	98,487,602.28
Total	1,266,812,544.23	1,161,190,274.48
Incl.: Expensed research and development expenses	1,266,812,544.23	1,161,190,274.48

**IX. Changes in the Scope of Consolidation****1. Business combination involving entities not under common control****2. Business combination involving entities under common control****3. Reverse acquisition****4. Disposal of subsidiaries**

Whether the control over any subsidiary was lost as a result of disposal of investment in such subsidiary through a single transaction

☒ Yes ☐ No

In RMB

Subsidiary	Disposal price at the time of losing control	Disposal ratio at the time of losing control	Disposal method at the time of losing control	Time of losing control	Basis for determining the time of losing control	Difference between the disposal price and the share in the subsidiary's net assets corresponding to the investment disposal	Remaining shareholding ratio at the date of losing control	Carrying value of the remaining shares at the date of losing control as reported in the consolidated financial statements	Fair value of the remaining shares at the date of losing control as reported in the consolidated financial statements	Gains or losses arising from the remeasurement of the remaining shares at fair value	Method for determining and key assumption of the fair value of the remaining shares at the date of losing control as reported	Amount of other comprehensive income that are related to the original equity investment in the subsidiary and transfer
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						ed as reporte d in the consoli dated financi al statem ents					d in the consoli dated financi al statem ents	rred to invest ment gains or losses or retain profits
Multek Zhuhai	45,561 ,378.5 3	100.00 %	Sold	Nove mber 29, 2024	The buyer has actuall y taken over the compa ny	- 12,820 ,087.2 4						

Whether the control over any subsidiary was lost during the current period as a result of the disposal of investment in such subsidiary through multiple transactions by steps

☐ Yes ☒ No

## 5. Changes in the scope of consolidation due to other reasons

Change in the scope of consolidation due to other reasons (such as new establishment of subsidiaries, liquidation of subsidiaries, etc.) and relevant information:

### 1. Subsidiaries newly included in the scope of consolidation

Company name	Method of acquisition of shares	Date of acquisition of shares	Contribution amount	Percentage of capital contribution
Multi-Fineline Electronics Hungary KFT.	invest and establish	2024/10/1	3 million forint	100.00%

### 2. Subsidiaries removed from the scope of consolidation

Company name	Method of disposal of shares	Date of disposal of shares	Net assets at the date of disposal	Net profit from the beginning of the period to the date of disposal
Suzhou Dongjiyuan Metal Technology Co., Ltd.	Deregistration	2024/10/31	20,717,958.77	-5,095,836.89
Suzhou Dongyan Electronic Technology Co., Ltd.	Deregistration	2024/9/30	4,444.91	-2,454,766.61
Suzhou Dongbo Precision Manufacturing Co., Ltd.	Deregistration	2024/10/31	-8,396.69	-2,129,557.91
Dongwei Smart Suzhou Co., Ltd.	Deregistration	2024/11/30	1,498,438.09	362,699.56
MFLX B.V.	Deregistration	2024/11/30	5,450,708.20	36,652.32

## 6. Others

### X. Interests in Other Entities

#### 1. Interests in subsidiaries

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

In RMB

Subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage		Method of acquisition
				Direct	Indirect	
Suzhou Yongchuang Metal Science and Technology Co., Ltd.	Suzhou	Suzhou	Manufacturing	100.00%		Business combinations involving entities under common control
Suzhou Dongkui Lighting Co., Ltd.	Suzhou	Suzhou	Manufacturing	100.00%		Established
Suzhou Chengjia Precision Manufacturing Co., Ltd.	Suzhou	Suzhou	Manufacturing	100.00%		Established
Dongguan Dongshan Precision Manufacturing Co., Ltd.	Dongguan	Dongguan	Manufacturing	95.00%	5.00%	Established
Yancheng Dongshan Precision Manufacturing Co., Ltd.	Yancheng	Yancheng	Manufacturing	95.00%	5.00%	Established
Suzhou Jebson Intelligent Technology Co., Ltd.	Suzhou	Suzhou	Manufacturing	51.00%		Established
Suzhou Dongdai Electronic Technology Co., Ltd.	Suzhou	Suzhou	Manufacturing	51.00%		Established
Yancheng Dongshan Business Management Co., Ltd.	Yancheng	Yancheng	Property management	95.00%	5.00%	Established
Yancheng Dongshan Communication Technology Co., Ltd.	Yancheng	Yancheng	Manufacturing	100.00%		Established
Shanghai Chengjia Consulting Management Co., Ltd.	Shanghai	Shanghai	Business & investment	100.00%		Established
Yancheng Mutto Optronics Technology Co., Ltd.	Yancheng	Yancheng	Manufacturing		100.00%	Established
MFLEX Yancheng Co., Ltd.	Yancheng	Yancheng	Manufacturing		100.00%	Established
MFLEX Suzhou Co., Ltd.	Suzhou	Suzhou	Manufacturing		100.00%	Business combinations involving entities not under common control
MFLEX Chengdu Co., Ltd.	Chengdu	Chengdu	Manufacturing		100.00%	Business combinations involving entities not under common control
RF Top Electronic Communication Co., Ltd.	Suzhou	Suzhou	Manufacturing	93.51%		Business combinations

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



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

	Kong, China	China	investment			
Multek Technology, Inc.	USA	USA	Business & investment		100.00%	Established
Multek Technologies Limited	Mauritius	Mauritius	Business & investment		100.00%	Business combinations involving entities not under common control
The Dii Group (BVI) Co. Limited	BVI	BVI	Business & investment		100.00%	Business combinations involving entities not under common control
The Dii Group Asia Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Business combinations involving entities not under common control
Multek Hong Kong Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Business combinations involving entities not under common control
Astron Group Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Business combinations involving entities not under common control
Vastbright PCB (HOLDING) Limited	Hong Kong, China	Hong Kong, China	Business & investment		100.00%	Business combinations involving entities not under common control
Multek Technology Germany GmbH	Germany	Germany	Business & investment		100.00%	Business combinations involving entities not under common control
Multek Technology Sweden AB	Sweden	Sweden	Business & investment		100.00%	Established
Multek Technology Malaysia SDN.BHD	Malaysia	Malaysia	Business & investment		100.00%	Established

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

## (2) Disclosure of aggregated individually immaterial joint ventures and associates

In RMB

	Closing balance/amount of the current period	Opening balance/amount of the previous period
Joint ventures:		
Aggregate of the following calculated according to the shareholding ratio		
Associates:		
Total carrying value of investments	155,008,795.68	155,406,879.89
Aggregate of the following calculated according to the shareholding ratio		
--Net profit	-398,084.25	-10,820,910.91
--Total comprehensive income	-398,084.25	-7,147,658.81

## XI. Government Grants

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

## 2. Liabilities related to government grants

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	New grants received in the current period	Amount of non-operating revenue recognized in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income	733,456,685.17	7,370,100.00		154,892,895.28		585,933,889.89	Related to assets

## 3. Government grants recognized in profit or loss

☒ Applicable ☐ N/A

In RMB

Item	Amount of the current period	Amount of the previous period
Government grants recognized in other income	483,724,850.14	248,078,668.03
Effect of financial interest subsidy on total profit		1,174,471.47
Total	483,724,850.14	249,253,139.50

# XII. Risks Associated with Financial Instruments

## 1. Risks arising from financial instruments

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

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

### (I) Credit risk

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

#### 1. Credit risk management practice

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

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

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

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

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

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

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

1) significant financial difficulty of the debtor;

2) any breach by the debtor of contract terms binding on it;

3) it becomes probable that the debtor will enter bankruptcy or other financial reorganization;

4) the creditors of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditors would not otherwise consider.

#### 2. Measurement of expected credit losses

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

3. Refer to "Section X Financial Report – VII (3), (4), (8), and (17)" of this Report for the conciliation table of opening balances and closing balances of allowance for impairment loss on financial instruments.

#### 4. Credit risk exposure and credit risk concentration

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

##### (1) Cash and bank balances

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

##### (2) Accounts receivable

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

As the Company only deals with approved and creditworthy third parties, no collateral is required. The concentration of credit risks are managed customer by customer. As of December 31, 2024, the Company faced certain credit concentration risks. In particular, 54.89% (December 31, 2023: 60.14%) of the Company's accounts receivable come from top 5 customers. The Company's maximum exposure to credit risk is the carrying value of each financial asset in the balance sheet.

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

## (II) Liquidity risk

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

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

### Financial liabilities classified by remaining maturity

Item	Closing balance				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank loans	12,427,287,441.14	12,945,053,630.60	7,357,404,130.16	4,070,557,149.80	1,517,092,350.64
Financial liabilities held for trading	82,922,390.17	82,922,390.17	82,922,390.17		
Notes payable	935,581,272.50	935,581,272.50	935,581,272.50		
Accounts payable	9,659,268,990.43	9,659,268,990.43	9,659,268,990.43		
Other payables	94,163,223.90	94,163,223.90	94,163,223.90		
Lease liabilities (including non-current liabilities due within one year)	1,483,360,719.42	1,605,316,008.57	155,598,833.56	1,394,948,589.61	54,768,585.40
Long-term payables (including non-current liabilities due within one year)	49,434,786.31	49,434,786.31		49,434,786.31	
Subtotal	24,732,018,823.87	25,371,740,302.48	18,284,938,840.72	5,514,940,525.72	1,571,860,936.04

(Continued)

Item	As of the end of the previous year				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank loans	12,329,399,469.82	12,883,478,634.71	7,981,675,775.53	3,054,956,512.84	1,846,846,346.34
Financial liabilities held for trading	104,174,076.23	104,174,076.23	104,174,076.23		

Item	As of the end of the previous year				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Notes payable	909,171,215.93	909,171,215.93	909,171,215.93		
Accounts payable	8,039,107,176.52	8,039,107,176.52	8,039,107,176.52		
Other payables	80,188,628.54	80,188,628.54	80,188,628.54		
Lease liabilities (including non-current liabilities due within one year)	1,872,497,186.10	2,130,134,243.16	77,293,792.42	1,609,372,610.71	443,467,840.03
Long-term payables (including non-current liabilities due within one year)	296,995,789.48	296,995,789.48		296,995,789.48	
Subtotal	23,631,533,542.62	24,443,249,764.57	17,191,610,665.17	4,961,324,913.03	2,290,314,186.37

### (III) Market Risk

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

#### 1. Interest risk

Interest risk is the risk of fluctuation in the fair value or future cash flows of financial instruments due to changes in market interest rates. Interest-bearing financial instruments with fixed interest rates expose the Company to fair value interest rate risk, while interest-bearing financial instruments with floating interest rates expose the Company to cash flow interest rate risk. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and reviews and monitors the appropriateness of its portfolio of financial instruments on a regular basis. The cash flow interest rate risk that the Company faces is primarily associated with the floating-rate bank loans owed by the Company,

As of December 31, 2024, the Company had bank loans of RMB 2,392,686,104.16 (December 31, 2023: RMB 1,406,781,793.94) on which the interests were calculated on a floating interest rate. Supposing the interest rate changes by 50 basic points while other variables remain unchanged, the Company's total profit and shareholders' interest will not be materially affected.

#### 2. Foreign exchange risk

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

Refer to "Section X Financial Report – VII (81)" of this Report for details of foreign currency denominated monetary assets and liabilities as of the end of the reporting period.

## 2. Hedging

### (1) The Company has hedging businesses for risk management

☒ Applicable ☐ N/A

Item	Corresponding risk management policy and target	Qualitative and quantitative information of hedged risks	Economic relationship between the hedged item and the hedging instrument	Effective realization of the expected risk management target	Effect of the corresponding hedging activity on the risk exposure
Cash flow hedging - future contracts	To avoid potential risks against the Company's expected production and operation due to the fluctuation in the prices of copper, aluminum and gold and reduce the fluctuation in the operating cash flow caused by the fluctuation in the prices of copper, aluminum and gold, the Company had hedging businesses of copper and aluminum commodities.	The hedged risk is the risk of price fluctuation of copper and aluminum. Refer to the description in "Section X Financial report – VII (57)" of this Report for quantitative information.	The future contracts change in the reverse direction due to the same risks of price fluctuation of copper and aluminum expected to be purchased and sold	The Company has set up relevant internal control measures for hedging to continuously trace hedging businesses, so as to ensure the realization of the expected risk management target	The implementation of the hedging businesses gives full play to the hedging and value preservation features of the futures and derivative market, so as to avoid the risks of price fluctuation due to the price fluctuation in commodities and foreign exchange, hence reducing the effect on the normal operation of the Company
Cash flow hedging - foreign exchange future contracts	Manage the Company's risks exposure of expected sales of foreign exchange to be settled in USD by using future foreign exchange contracts	The expected sales to be settled in USD are subject to foreign exchange risk exposure. Refer to "Section X Financial Report – VII (57)" of this Report for quantitative information.	The expected sales to be settled in USD are in the same foreign currency corresponding to the future foreign exchange contracts, where the basic variable of the hedging instrument and the hedged item is the exchange rate of USD	The Company has set up relevant internal control measures for hedging to continuously trace hedging businesses, so as to ensure the realization of the expected risk management target	The implementation of the hedging businesses gives full play to the hedging and value preservation features of the futures and derivative market, so as to avoid the risks of price fluctuation due to the price fluctuation in commodities and foreign exchange, hence reducing the effect on the normal operation of the Company

## 3. Financial assets

### (1) Categories of transfer types

☒ Applicable ☐ N/A

In RMB

Types of transfer	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Basis for determining derecognition
Note discounting	Accounts receivable financing	275,516,453.89	Derecognized/not derecognized	Almost all the risks and returns have been transferred/almost all the risks and returns are reserved



Note endorsement	Accounts receivable financing	745,867,603.59	Derecognized/not derecognized	Almost all the risks and returns have been transferred/almost all the risks and returns are reserved
Factoring of accounts receivable	Accounts receivable	90,000,000.00	Derecognized/not derecognized	Almost all the risks and returns have been transferred/almost all the risks and returns are reserved
Total		1,111,384,057.48		

**(2) Financial assets derecognized due to transfer**
☒ Applicable ☐ N/A

In RMB

Item	Method of transferring financial assets	Amount of the financial assets derecognized	Gains or losses related to the derecognition
Accounts receivable financing	Endorsement/discounting	1,021,384,057.48	-808,082.28
Total		1,021,384,057.48	-808,082.28

**(3) Financial assets transferred with assets with continuous involvement**
☒ Applicable ☐ N/A

In RMB

Item	Method of assets transfer	Amount of assets arising from continuous involvement	Amount of liabilities arising from continuous involvement
Accounts receivable	Factoring	90,000,000.00	90,000,000.00
Total		90,000,000.00	90,000,000.00

**XIII. Fair Value Disclosures****1. Closing balance of the fair value of assets and liabilities measured at fair value**

In RMB

Item	Closing balance of fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	--	--	--	--
1. Financial assets at fair value through profit or loss			78,144,342.95	78,144,342.95
(2) Investment in equity instruments			63,212,376.92	63,212,376.92
Derivatives			14,931,966.03	14,931,966.03
2. Accounts receivable financing			252,612,009.41	252,612,009.41
3. Investment in other equity instruments			333,657,110.00	333,657,110.00
Total assets measured at fair value on a recurring basis			664,413,462.36	664,413,462.36
4. Financial liabilities held for trading			82,922,390.17	82,922,390.17
Total liabilities measured at fair value on a recurring basis			82,922,390.17	82,922,390.17

## 2. Basis for determining the market prices of items subject to recurring and non-recurring fair value measurements within Level 1

1. The fair value of forward exchange settlement and sale transactions already authorized but not yet settled is determined based on the forward exchange rates as confirmed with the transaction bank at the end of the reporting period.

2. The Company estimates the fair value by using the market method, the method of discounting future cash flows, etc. for other equity instrument investments not listed. In the absence of a material change in the operating environment, operating conditions, and financial conditions of in the investee, the Company uses the investment costs as the reasonable estimate of the fair value.

3. The fair value of a note receivable is determined based on its face amount.

4. The fair value of an investment in equity instruments is determined based on the initial investment amount.

## XIV. Related Parties and Related-party Transactions

### 1. Parent company of the Company

The ultimate controllers of the Company are YUAN Yongfeng, YUAN Yonggang, and YUAN Fugen, who hold 13.04%, 11.85%, and 3.45% shares and voting power in the Company, respectively, and 28.34% of the total shares and voting power in the Company in aggregate.

Other information: None

### 2. Subsidiaries of the Company

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

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

For significant joint ventures and associates of the Company, refer to the description in “Section X Financial Report - X” of this Report.

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

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

### 4. Other related parties

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

## 5. Related-party transactions

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

Purchase of goods and receipt of services from related parties

In RMB

Related party	Subject matter	Amount of the current period	Transaction quota approved	Whether or not exceed the transaction quota?	Amount of the previous period
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Purchase of goods	710,133.35			1,153,371.50
Shanghai Corkuna New Material Technologies Co., Ltd.	Purchase of goods	9,595,091.96			11,426,652.85
Suzhou Corkuna New Material Technologies Co., Ltd.	Purchase of goods	7,766,790.60			

Sale of goods and rendering of services to related parties

In RMB

Related party	Subject matter	Amount of the current period	Amount of the previous period
Suzhou Toprun Electric Equipment Co., Ltd.	Software and services	683,324.25	
Suzhou Toprun Electric Equipment Co., Ltd.	Sale of equipment		154,390.07
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Sale of goods	59,554.04	
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	Rendering of services		150,462.54
Anhui Landun Photoelectron Co., Ltd.	Rendering of services		269,820.00
Suzhou Corkuna New Material Technologies Co., Ltd.	Sale of equipment		964,438.95

### (2) Related-party entrusted management/contracts

### (3) Related-party leases

### (4) Related-party guarantees

The Company as guarantor

In RMB

Obligor	Amount guaranteed	Effective date of guarantee	Expiry date of guarantee	Whether the obligation guaranteed has been discharged
Multek Zhuhai Limited	17,000,000.00	October 21, 2023	October 20, 2026	Yes
Multek Zhuhai Limited	8,000,000.00	December 12, 2023	December 11, 2026	Yes
Multek Zhuhai Limited	8,500,000.00	February 2, 2024	February 1, 2027	Yes
Suzhou Toprun Electric Equipment Co., Ltd.	8,000,000.00	January 15, 2024	January 24, 2025	No
Suzhou Toprun Electric Equipment Co., Ltd.	2,000,000.00	September 4, 2024	September 4, 2025	No
Suzhou Toprun Electric Equipment Co., Ltd.	992,028.04	September 14, 2024	May 23, 2025	No
Suzhou Toprun Electric Equipment Co., Ltd.	5,217,971.96	September 14, 2024	September 11, 2025	No

Suzhou Toprun Electric Equipment Co., Ltd.	3,790,000.00	September 14, 2024	October 20, 2025	No
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The Company as obligor:

In RMB

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

## (5) Related-party loans

## (6) Related-party asset transfer and debt restructuring

## (7) Remunerations of key officers

In RMB

Item	Amount of the current period	Amount of the previous period
Remunerations of key officers	22,357,000.00	21,963,000.00

## (8) Other related-party transactions

# 6. Amounts receivable from/payable to related parties

## (1) Amounts receivable from related parties

In RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Allowance for doubtful accounts	Book balance	Allowance for doubtful accounts
Accounts receivable	Suzhou Dongcan Optoelectronics Technology Co., Ltd.	318,894.64	93,307.33	257,026.80	22,356.61
Accounts receivable	Suzhou Toprun Electric Equipment Co., Ltd.	11,177.70	55.89	129,457.70	1,150.29
Accounts receivable	Hai Dixin Semiconductor (Nantong) Co., Ltd.	1,607,132.92	1,607,132.92	1,607,132.92	1,607,132.92
Accounts receivable	Suzhou Corkuna New Material Technologies Co., Ltd.			339,816.02	1,699.08
Other receivables	Hai Dixin Semiconductor (Nantong) Co., Ltd.	1,790,748.55	1,790,748.55	1,790,748.55	1,790,748.55

## (2) Amounts payable to related parties

In RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Suzhou Dongcan Optoelectronics Technology Co., Ltd.	298,971.64	310,347.77
Accounts payable	Shanghai Corkuna New Material Technologies Co., Ltd.	1,792,220.15	7,338,661.31
Accounts payable	Suzhou Corkuna New Material Technologies Co., Ltd.	4,970,486.19	

**7. Covenants of related parties****8. Others****XV. Share-based Payments****1. Summary of share-based payments**

☒ Applicable ☐ N/A

In RMB

Type of grantees	Granted in the current period		Exercised in the current period		Vested in the current period		Expired in the current period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Management staff			526,329.00	10,316,048.40	559,889.00	10,973,815.00	33,560.00	657,766.00
R&D personnel			57,157.00	1,120,277.20	58,370.00	1,144,052.00	1,213.00	23,775.00
Sales staff			64,799.00	1,270,060.40	64,799.00	1,270,060.00		
Total			648,285.00	12,706,386.00	683,058.00	13,387,927.00	34,773.00	681,541.00

Outstanding share options or other equity instruments at the end of the current period:

☐ Applicable ☒ N/A

**2. Equity-settled share-based payments**

☒ Applicable ☐ N/A

In RMB

Method for determining the fair value of equity instruments at the grant date	Closing price of the Company's stock at the date the relevant employee stock ownership plan was approved by the general meeting
Basis for determining the number of exercisable equity instruments	The number approved by the Board of Directors and the general meeting of the Company, taking into account the performance indicators
Reason of significant differences between the current estimates and previous estimates	None
Aggregate amount of equity-settled share-based payments recorded in capital reserve	26,087,614.40
Total amount of equity-settled share-based payments recognized in expenses in the current period	477,990.07

**3. Cash-settled share-based payments**

☐ Applicable ☒ N/A

**4. Share-based payments in the current period**

☒ Applicable ☐ N/A

In RMB

Type of grantees	Equity-settled share-based payments	Cash-settled share-based payments
Management staff	381,730.32	
R&D personnel	-5,821.30	
Sales staff	102,081.05	
Total	477,990.07	

## XVI. Commitments and Contingencies

### 1. Significant commitments

Significant covenants as of the balance sheet date

As of the balance sheet date, the Company did not have any significant commitment needing to be disclosed.

### 2. Contingencies

#### (1) Significant contingencies as of the balance sheet date

As of the balance sheet date, the Company did not have any contingency needing to be disclosed.

#### (2) Whether the Company does not have any significant contingency needing to be disclosed?

The Company does not have any significant contingency needing to be disclosed.

### 3. Others

## XVII. Subsequent Events

### 1. Significant non-adjusting events

### 2. Profit distribution

Dividends to be distributed per 10 shares (RMB)	0.7
Number of bonus shares to be distributed per 10 shares (shares)	0
Number of shares to be distributed per 10 shares through capitalization of capital reserve (shares)	0
Dividends to be distributed per 10 shares approved and declared (RMB)	0
Number of bonus shares to be distributed per 10 shares approved and declared (shares)	0
Number of shares to be distributed per 10 shares through capitalization of capital reserve approved and declared (shares)	0
Profit distribution proposal	Pursuant to the <i>Regulatory Guidance for Listed Companies No. 3 – Distribution of Cash Dividends by the Listed Companies</i> , the AOA and other relevant provisions, taking into account the actual business situation and development plans of the Company, as well as the requirements of normal operation and

	<p>sustainable development of the Company, Our 2024 Profit Distribution Proposal is as follows: to distribute to all shareholders a cash dividend of RMB0.70 (inclusive of tax) per 10 shares on the basis of the total share capital of 1,697,077,809 shares (excluding treasury shares), or RMB118,795,446.63 in total, without distribution of any bonus shares or transfer of any capital reserve to the share capital. (Note: As of the date of this Report, we had a total share capital of 1,705,913,710 shares, of which, 8,835,901 shares held in the dedicated securities account for repurchase would not participate in the profit distribution.)</p>
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### 3. Sales return

N/A

### 4. Other subsequent events

Pursuant to the resolution adopted at the 2<sup>nd</sup> extraordinary general meeting of the Company in 2024, the Company decided to issue shares through private placement in a total amount of up to RMB1.5 billion (inclusive) to YUAN Yonggang and YUAN Yongfeng, the actual controllers of the Company, the offering proceeds received from which, after deduction of the offering costs, would be wholly used to replenish the Company's working capital. The base date for pricing for the shares issued shall be the announcement date of the resolution considered and adopted at the 7<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors of the Company under which the issuance plan was adopted, where the issuance price is RMB11.49/share, which shall be no less than 80% of the average trading price of the Company's shares during the 20 trading days prior to the base date for pricing. Since the Company has completed the distribution of annual rights and interests for 2023, the issuance price of this private placement is adjusted from RMB11.49/share to RMB11.24/share. Pursuant to the authorization granted under the resolution adopted at the 2<sup>nd</sup> extraordinary general meeting of the Company in 2024, and as approved by the resolution at the 15<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors and the 12<sup>th</sup> meeting for the 6<sup>th</sup> Board of Supervisors, the total proceeds from the issuance are adjusted from no more than RMB1.5 billion (including the principal amount) to no more than RMB1.404 billion (including the principal amount). By now, the Company's request for private placement has been reviewed and approved by the Listing Review Center of Shenzhen Stock Exchange on March 10, 2025, and may be implemented after a decision of registration is obtained from the CSRC. We will promptly perform our obligations of information disclosure depending on progress of this event.

## XVIII. Other Significant Information

## XIX. Notes to Key Items of the Standalone Financial Statements

### 1. Accounts receivable

#### (1) Accounts receivable by age

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	2,998,577,516.40	1,278,554,642.91
Within 6 months	1,717,998,540.30	1,195,439,845.81
7-12 months	1,280,578,976.10	83,114,797.10
1-2 years	67,754,351.05	689,194,247.06

2-3 years	94,214,723.81	4,893,435.36
Over 3 years	75,446,354.06	227,083,256.45
3-4 years	3,854,595.17	195,473,911.72
4-5 years	48,135,349.97	9,831,416.31
Over 5 years	23,456,408.92	21,777,928.42
Total	3,235,992,945.32	2,199,725,581.78

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Allowance recognized individually	14,625,467.55	0.45%	14,625,467.55	100.00%		12,127,413.92	0.55%	12,127,413.92	100.00%	
Incl.:										
Allowance recognized collectively	3,221,367,477.77	99.55%	77,874,863.40	2.42%	3,143,492,614.37	2,187,598,167.86	99.45%	102,894,892.64	4.70%	2,084,703,275.22
Incl.:										
Total	3,235,992,945.32	100.00%	92,500,330.95	2.86%	3,143,492,614.37	2,199,725,581.78	100.00%	115,022,306.56	5.23%	2,084,703,275.22

Allowance for doubtful accounts recognized collectively:

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Group of related parties within the scope of consolidation	2,183,413,928.18		
Aging group	1,037,953,549.59	77,874,863.40	7.50%
Total	3,221,367,477.77	77,874,863.40	

Basis for grouping:

Age	Closing balance		
	Book balance	Allowance for doubtful accounts	Ratio of provision (%)
Within 6 months	949,193,205.12	4,745,966.03	0.5
7-12 months	2,753,950.40	137,697.52	5
1-2 years	5,592,667.05	1,118,533.41	20
2-3 years	21,352,651.45	12,811,590.87	60



Age	Closing balance		
	Book balance	Allowance for doubtful accounts	Ratio of provision (%)
Over 3 years	59,061,075.57	59,061,075.57	100
Subtotal	1,037,953,549.59	77,874,863.40	7.5

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

☐ Applicable ☒ N/A

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

Allowance for doubtful accounts recognized in the current period:

In RMB

Type	Opening balance	Changes in the current period				Closing balance
		Recognized	Recovered or reversed	Written off	Others	
Allowance recognized individually	12,127,413.92	2,893,896.55		395,842.92		14,625,467.55
Allowance recognized collectively	102,894,892.64	-21,762,883.94		3,257,145.30		77,874,863.40
Total	115,022,306.56	-18,868,987.39		3,652,988.22		92,500,330.95

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

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

In RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and contract assets	% of total closing balance of accounts receivable and contract assets	Closing balance of allowance for doubtful accounts receivable and impairment of contract assets
Mutto Optronics Technology Co., Ltd.	826,504,376.16		826,504,376.16	25.66%	
MFLEX Yancheng Co., Ltd.	424,618,176.62		424,618,176.62	13.18%	
HongKong Dongshan Precision Union Opoelectronic Co., Ltd.	266,612,674.07		266,612,674.07	8.28%	
DSBJ PTE. Ltd.	254,405,669.06		254,405,669.06	7.90%	
Suzhou JDI Electronics Inc.	169,390,766.44		169,390,766.44	5.26%	
Total	1,941,531,662.35		1,941,531,662.35	60.28%	

## 2. Other receivables

In RMB

Item	Closing balance	Opening balance
Dividends receivable	1,495,758,008.53	2,203,111,413.70
Other receivables	4,473,728,550.13	3,049,524,125.86
Total	5,969,486,558.66	5,252,635,539.56

**(1) Interest receivable****(2) Dividends receivable****1) Dividends receivable by category**

In RMB

Item (or investee)	Closing balance	Opening balance
Hong Kong Dongshan Holding Limited	1,044,758,008.53	1,817,111,413.70
Yancheng Dongshan Precision Manufacturing Co., Ltd.	266,000,000.00	266,000,000.00
Suzhou JDI Electronics Inc.	140,000,000.00	120,000,000.00
Suzhou Dongyue New Energy Technology Co., Ltd.	45,000,000.00	
Total	1,495,758,008.53	2,203,111,413.70

**2) Significant dividends receivable aged over one year**

In RMB

Item (or investee)	Closing balance	Age	Reason for failure to collect	Whether or not impaired and the basis for determination
Hong Kong Dongshan Holding Limited	574,758,008.53	Over 3 years	To support the development of the subsidiary	
Yancheng Dongshan Precision Manufacturing Co., Ltd.	266,000,000.00	Over 3 years	To support the development of the subsidiary	
Total	840,758,008.53			

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

In RMB

Nature of accounts	Closing book balance	Opening book balance
Current accounts	4,469,455,999.04	3,043,264,560.13
Security deposit	1,325,000.00	2,042,208.17
Loan and reserve fund	4,407,055.00	2,562,780.89
Temporary payment receivable	2,639,160.94	4,250,557.91
Total	4,477,827,214.98	3,052,120,107.10

**2) Other receivables by age**

In RMB

Age	Closing book balance	Opening book balance
Within 1 year (inclusive)	4,293,041,449.14	2,918,638,154.04
1-2 years	179,913,329.38	123,650,779.00
2-3 years	1,936,000.00	1,451,851.51
Over 3 years	2,936,436.46	8,379,322.55
3-4 years	1,367,016.15	8,199,590.38

4-5 years	1,414,020.31	39,000.00
Over 5 years	155,400.00	140,732.17
Total	4,477,827,214.98	3,052,120,107.10

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

In RMB

Type	Closing balance					Opening balance				
	Book balance		Allowance for doubtful accounts		Carrying value	Book balance		Allowance for doubtful accounts		Carrying value
	Amount	%	Amount	%		Amount	%	Amount	%	
Incl.:										
Allowance recognized collectively	4,477,827,214.98	100.00%	4,098,664.85	0.09%	4,473,728,550.13	3,052,120,107.10	100.00%	2,595,981.24	0.09%	3,049,524,125.86
Incl.:										
Total	4,477,827,214.98	100.00%	4,098,664.85	0.09%	4,473,728,550.13	3,052,120,107.10	100.00%	2,595,981.24	0.09%	3,049,524,125.86

Allowance for doubtful accounts recognized collectively:

In RMB

Item	Closing balance		
	Book balance	Allowance for doubtful accounts	%
Group of related parties within the scope of consolidation	4,469,455,999.04		
Aging group	8,371,215.94	4,098,664.85	48.96%
Incl.: Within 1 year	3,112,991.06	155,649.55	5.00%
1-2 years	385,788.42	38,578.84	10.00%
2-3 years	1,936,000.00	968,000.00	50.00%
Over 3 years	2,936,436.46	2,936,436.46	100.00%
Total	4,477,827,214.98	4,098,664.85	

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

In RMB

Allowance for doubtful accounts	Stage I	Stage II	Stage III	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	
Balance as at January 1, 2024	182,023.10	230,577.90	2,183,380.24	2,595,981.24
In the current period, the balance as at January 1, 2024				
- Transferred to stage II	-19,289.42	19,289.42		

- Transferred to stage III		-193,600.00	193,600.00	
Recognized	-7,084.13	-17,688.48	1,527,456.22	1,502,683.61
Balance as at December 31, 2024	155,649.55	38,578.84	3,904,436.46	4,098,664.85

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

**5) Other receivables actually written off in the current period**

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

In RMB

Company name	Nature of account	Closing balance	Age	% of total closing balance of other receivables	Closing balance of allowance for doubtful accounts
Yancheng Dongshan Precision Manufacturing Co., Ltd.	Current accounts	1,180,346,461.56	Within 1 year	26.36%	
Mutto Optronics Technology Co., Ltd.	Current accounts	661,457,617.67	Within 1 year	14.77%	
Hong Kong Dongshan Holding Limited	Current accounts	652,528,928.68	Within 1 year	14.57%	
Dongguan Dongshan Precision Manufacturing Co., Ltd.	Current accounts	484,142,051.89	Within 1 year	10.81%	
Suzhou Yongchuang Communication Technology Co., Ltd.	Current accounts	398,379,669.36	Within 1 year	8.90%	
Total		3,376,854,729.16		75.41%	

**3. Long-term equity investments**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Allowance for impairment loss	Carrying value	Book balance	Allowance for impairment loss	Carrying value
Investments in subsidiaries	9,671,242,453.40	133,690,000.00	9,537,552,453.40	9,515,272,968.95	133,690,000.00	9,381,582,968.95
Investments in associates and joint ventures	107,812,202.38	17,507,056.47	90,305,145.91	102,227,354.08	17,507,056.47	84,720,297.61
Total	9,779,054,655.78	151,197,056.47	9,627,857,599.31	9,617,500,323.03	151,197,056.47	9,466,303,266.56

**(1) Investments in subsidiaries**

In RMB

Investee	Opening balance (carrying value)	Opening balance of allowance for impairment loss	Changes in the current period				Closing balance (carrying value)	Closing balance of allowance for impairment loss
			Additional investment	Reduced investment	Allowance for impairment loss	Others		
Dongguan Dongshan Precision Manufacturing Co.,	342,000,000.00						342,000,000.00	

Ltd.								
MFLEX Shanghai Co., Ltd.	2,023,777.30						2,023,777.30	
Shenzhen Qindao Dongchuang Investment Partnership (L.P.)	100,000,000.00						100,000,000.00	
RF Top Electronic	372,863,939.84					-5,856.70	372,858,083.14	
Suzhou Chengjia Precision Manufacturing Co., Ltd.	80,104,811.22					4,557.02	80,109,368.24	
Suzhou Dongbo Precision Manufacturing Co., Ltd.	5,100,000.00		16,160,000.00	21,260,000.00				
Suzhou Dongdai Electronic Technology Co., Ltd.	1,530,000.00						1,530,000.00	
Suzhou Dongjiyuan Metal Technology Co., Ltd.	52,600,000.00			52,600,000.00				
Suzhou Dongke Real Estate Co., Ltd.	152,389,096.00						152,389,096.00	
Suzhou Dongkui Lighting Co., Ltd.	12,100,000.00						12,100,000.00	
Suzhou Dongyan Electronic Technology Co., Ltd.	1,530,000.00		9,780,000.00	11,310,000.00				
Suzhou Jebson Intelligent Technology Co., Ltd.	255,000.00						255,000.00	
Suzhou Yongchuang Metal Science and Technology Co., Ltd.	451,576,726.89					5,983.74	451,582,710.63	
Hong Kong Dongshan	3,744,565,150.00	133,690,000.00					3,744,565,150.00	133,690,000.00
Hong Kong Dongshan Holding Limited	452,677,880.00						452,677,880.00	
Yancheng Dongshan Precision Manufacturing Co., Ltd.	1,093,572,960.50					46,650.42	1,093,619,610.92	
Yancheng Dongshan Business Management Co., Ltd.	3,064,464.40					2,802.80	3,067,267.20	
Yancheng Dongshan Communication Technology Co., Ltd.	280,383,770.29					17,633.48	280,401,403.77	
Suzhou JDI Electronics Inc.	1,382,684,003.83						1,382,684,003.83	
Suzhou Dongshan Industrial Investment Co., Ltd.	20,010,000.00						20,010,000.00	
Shanghai Dongxin New Energy Technology Co., Ltd.	80,000,000.00						80,000,000.00	
Yancheng	270,000,000.00		180,000,000.00				450,000,000.00	

Dongchuang Precision Manufacturing Co., Ltd.								
Suzhou Dongyue New Energy Technology Co., Ltd.	465,000,000.00		35,000,000.00				500,000,000.00	
Multek China Limited	68,352.66					2,971.86	71,324.52	
Mutto Optronics	867,088.50					-42,310.02	824,778.48	
MFLEX Suzhou Co., Ltd.	6,894,726.64					298,532.96	7,193,259.60	
Yancheng Mutto Optronics Technology Co., Ltd.	45,568.40					1,981.24	47,549.64	
MFLEX Yancheng Co., Ltd.	4,298,839.88					- 123,142.99	4,175,696.89	
Multek Industries Limited	2,355,919.44					69,140.28	2,425,059.72	
Multek Zhuhai Limited	287,084.72			299,566.68		12,481.96		
Dongwei Smart Suzhou Co., Ltd.	12,639.46					1,576.80	14,216.26	
Zhuhai Multek Business Management Co., Ltd.	721,168.98					206,048.28	927,217.26	
<b>Total</b>	<b>9,381,582,968.95</b>	<b>133,690,000.00</b>	<b>240,940,000.00</b>	<b>85,469,566.68</b>		<b>499,051.13</b>	<b>9,537,552,453.40</b>	<b>133,690,000.00</b>

## (2) Investments in associates and joint ventures

In RMB

Investee	Openi ng balanc e (carry ng value)	Openi ng balanc e of allowa nce for impair ment loss	Changes in the current period								Closin g balanc e (carry ng value)	Closin g balanc e of allowa nce for impair ment loss
			Additi onal invest ment	Reduc ed invest ment	Invest ment incom e or loss under equity metho d	Adjust ment to other compr ehensi ve incom e	Other change s in equity	Declar ed cash divide nds or profit distrib ution	Allow ance for impair ment loss	Others		
I. Joint ventures												
II. Associates												
Suzhou Toprun Electric Equipment Co., Ltd.	11,641 ,777.5 5				142,63 5.84						11,784 ,413.3 9	
Shenzhen Nanfang Blog Technolog y Developm ent Co., Ltd.		17,507 ,056.4 7										17,507 ,056.4 7
Shanghai												

Fu Shan Precision Manufacturing Co., Ltd.												
Suzhou LEGATE Intelligent Equipment Corp., Ltd.	12,352,316.96				-860,108.56						11,492,208.40	
Suzhou Dongcan Optoelectronics Technology Co., Ltd.	3,797,258.35				-480,785.86						3,316,472.49	
Jiangsu Nangao Intelligent Equipment Innovation Center Co., Ltd.	4,259,369.62				-816,534.46						3,442,835.16	
Jiaozuo Songyang Optoelectronic Technology Co., Ltd.	26,753,781.07				-2,361,689.37						24,392,091.70	
Suzhou Yongxin Jingshang Venture Capital Partnership (L.P.)	25,915,794.06				9,961,330.71						35,877,124.77	
Subtotal	84,720,297.61	17,507,056.47			5,584,848.30						90,305,145.91	17,507,056.47
Total	84,720,297.61	17,507,056.47			5,584,848.30						90,305,145.91	17,507,056.47

#### 4. Operating revenue and operating costs

In RMB

Item	Amount of the current period		Amount of the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	4,190,338,512.76	4,025,950,010.51	3,432,663,877.17	3,217,738,606.44
Other businesses	560,542,168.15	45,500,518.40	304,866,996.33	163,638,849.01
Total	4,750,880,680.91	4,071,450,528.91	3,737,530,873.50	3,381,377,455.45

## 5. Investment income

In RMB

Item	Amount of the current period	Amount of the previous period
Income from long-term equity investments under cost method	655,000,000.00	1,120,631,673.83
Income from long-term equity investments under the equity method	5,584,848.30	-9,470,309.07
Investment income from the disposal of long-term equity investments	-64,763,689.49	-12,592,979.40
Discount loss on accounts receivable financing		-1,212,944.45
Bank wealth management product	-2,651,138.83	
Total	593,170,019.98	1,097,355,440.91

## XX. Supplementary Information

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

☒ Applicable ☐ N/A

In RMB

Item	Amount	Remark
Gain or loss from disposal of non-current assets	-268,961,359.34	
Government grants recognized in profit or loss (excluding the government grants that are closely related to the business of the Company, conform to the applicable policies of the country, are provided in accordance with the established standards, and continuously affect the Company's profit or loss)	483,141,623.05	
Gain or loss on changes in fair value of financial assets and financial liabilities held by non-financial entities, and gain or loss on disposal of financial assets and financial liabilities, except for effective hedges held in the ordinary course of business	-7,601,380.66	
Other non-operating revenues and expenses	-3,547,316.95	
Less: Effect on income tax	13,516,787.94	
Effect on minority interests (exclusive of tax)	2,500,208.75	
Total	187,014,569.41	--

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)



Net profit attributable to ordinary shareholders of the Company	5.89%	0.64	0.64
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gain or loss	4.87%	0.53	0.53

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

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A